

---

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

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult 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.

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

---



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)**

**2019 WORK REPORT OF THE BOARD OF DIRECTORS  
2019 WORK REPORT OF THE BOARD OF SUPERVISORS  
BUDGET PLAN OF FIXED ASSET INVESTMENT FOR THE YEAR 2020  
AUDITED ACCOUNTS REPORT FOR THE YEAR 2019  
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2019  
APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2020  
REMUNERATION OF THE DIRECTORS FOR THE YEAR 2019  
REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2019  
APPLICATION FOR AMOUNTS OF EXTERNAL DONATIONS UNDER  
TARGETED POVERTY ALLEVIATION AND EMERGENCY CONTINGENCIES  
FOR THE YEAR 2020  
ISSUANCE PLAN AND AUTHORISATION OF FINANCIAL BONDS  
AND  
NOTICE OF THE 2019 ANNUAL GENERAL MEETING**

---

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 Friday, 5 June 2020 at 9:30 a.m., together with the relevant reply slip and proxy form, have been sent to the Shareholders on Monday, 20 April 2020.

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 Thursday, 4 June 2020) 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 proxy form shall be deemed to be revoked.

11 May 2020

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

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	3
1. INTRODUCTION .....	4
2. 2019 WORK REPORT OF THE BOARD OF DIRECTORS .....	4
3. 2019 WORK REPORT OF THE BOARD OF SUPERVISORS .....	4
4. BUDGET PLAN OF FIXED ASSET INVESTMENT FOR THE YEAR 2020 .....	4
5. AUDITED ACCOUNTS REPORT FOR THE YEAR 2019 .....	4
6. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2019 .....	8
7. APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2020 .....	8
8. REMUNERATION OF THE DIRECTORS FOR THE YEAR 2019 .....	10
9. REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2019 .....	11
10. APPLICATION FOR AMOUNTS OF EXTERNAL DONATIONS UNDER TARGETED POVERTY ALLEVIATION AND EMERGENCY CONTINGENCIES FOR THE YEAR 2020 .....	12
11. ISSUANCE PLAN AND AUTHORISATION OF FINANCIAL BONDS .....	14
12. THE AGM .....	15
13. CLOSURE OF REGISTER OF MEMBERS FOR THE AGM .....	15
14. CLOSURE OF REGISTER OF MEMBERS FOR DISTRIBUTION OF 2019 FINAL DIVIDEND .....	15
15. RECOMMENDATIONS .....	16
<b>APPENDIX I – 2019 WORK REPORT OF THE BOARD OF DIRECTORS</b> .....	17
<b>APPENDIX II – 2019 WORK REPORT OF THE BOARD OF SUPERVISORS</b> .....	25
<b>NOTICE OF THE 2019 ANNUAL GENERAL MEETING</b> .....	37

---

## DEFINITIONS

---

*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 2019 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 Friday, 5 June 2020 at 9:30 a.m.
“Board”	the board of Directors of the Company
“Director(s)”	director(s) of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“Supervisor(s)”	supervisor(s) of the Company
“Company”	China Everbright Bank Company Limited (中國光大銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability 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
“CBIRC”	China Banking and Insurance Regulatory Commission
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

---

## DEFINITIONS

---

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

---

LETTER FROM THE BOARD

---



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. LIU Jin

Mr. LU Hong

*Non-executive Directors:*

Mr. WU Lijun

Mr. CAI Yunge

Mr. WANG Xiaolin

Mr. SHI Yongyan

Mr. DOU Hongquan

Mr. HE Haibin

Mr. LIU Chong

Ms. YU Chunling

*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:*

Ms. FOK Oi Ling Catherine

Mr. XU Hongcai

Mr. FENG Lun

Mr. WANG Liguo

Mr. SHAO Ruiqing

Mr. HONG Yongmiao

11 May 2020

*To the Shareholders*

Dear Sir or Madam,

**2019 WORK REPORT OF THE BOARD OF DIRECTORS  
2019 WORK REPORT OF THE BOARD OF SUPERVISORS  
BUDGET PLAN OF FIXED ASSET INVESTMENT FOR THE YEAR 2020  
AUDITED ACCOUNTS REPORT FOR THE YEAR 2019  
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2019  
APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2020  
REMUNERATION OF THE DIRECTORS FOR THE YEAR 2019  
REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2019  
APPLICATION FOR AMOUNTS OF EXTERNAL DONATIONS UNDER  
TARGETED POVERTY ALLEVIATION AND EMERGENCY CONTINGENCIES  
FOR THE YEAR 2020  
ISSUANCE PLAN AND AUTHORISATION OF FINANCIAL BONDS  
AND  
NOTICE OF THE 2019 ANNUAL GENERAL MEETING**

---

## LETTER FROM THE BOARD

---

### 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. 2019 WORK REPORT OF THE BOARD OF DIRECTORS

The full text of the 2019 Work Report of the Board of Directors is set out in Appendix I to this circular.

### 3. 2019 WORK REPORT OF THE BOARD OF SUPERVISORS

The full text of the 2019 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 2020

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 accelerate the transformation towards “agility, technology, ecology” operations, based on the internal and external economic situation, policy environment, development trends of financial technology and market competition pattern, and based on the needs of the business development, the Company will further enhance the its core competitiveness and customer service standards. In 2020, our fixed asset investment will be given priority to meet the investment needs of fixed assets such as financial technology, network transformation and smart terminal equipment; and appropriately used for general fixed asset investment such as the purchase of office buildings and allocation of vehicles according to standards. The budget of fixed assets investment for the year is RMB6.966 billion, including RMB5.307 billion for the construction of office buildings, RMB950 million for financial technology investment, RMB379 million for channel building, RMB330 million for office equipment upgrade, the details of which are as follows:

<b>Items</b>	<b>2020 budget</b> <i>(Unit: RMB100 million)</i>
Construction of office buildings	53.07
Financial technology investment	9.50
Channel building	3.79
Office equipment upgrade	3.30
Total	<u>69.66</u>

### 5. AUDITED ACCOUNTS REPORT FOR THE YEAR 2019

In 2019, the Company deeply conducted the education of “staying true to original aspiration and keeping mission firmly in mind”, upheld the general principles of “holding onto our values, focusing on our mission, identifying differences and implementing our plans” during our practical works, accurately studied

---

## LETTER FROM THE BOARD

---

and grasped the macro trends, earnestly implemented various deployment of central policies, spirit of central economic work conference and various regulatory requirements. Centering on realizing the three major missions of “serving the real economy, containing financial risks and deepening financial reforms” and the strategic layouts for “establishing a first-class wealth management bank” and highlighting the “stable, real, new and progressive” business management, the Company focused on major works and enhanced the building of high quality development capability, accelerated the transformation towards “agility, technology, ecology” operations, sped up and pushed forward the establishment of Wealth E-SBU, realized the transformation from scale expansion into value creation in an orderly and efficient manner. The performance of all major financial indicators was more favourable than the requirements of the budget, the operation improved and shown prospects for further growth while maintaining stability in general.

### I. Assets and Liabilities

*Unit: RMB100 million*

	<b>As at the end of 2019</b>	<b>As at the end of 2018</b>	<b>Increase</b>	<b>Growth rate</b>
Assets	47,334.31	43,573.32	3,760.99	8.63%
Of which: loans	27,122.04	24,213.29	2,908.75	12.01%
Liabilities	43,473.77	40,348.59	3,125.18	7.75%
Of which: general deposits	30,178.88	25,719.61	4,459.27	17.34%
Owners' equity	3,860.54	3,224.73	635.81	19.72%

As at the end of 2019, the total assets of the Bank amounted to RMB4,733.431 billion, representing an increase of 8.63% or RMB376.099 billion as compared to the end of the previous year. The balance of loans reached RMB2,712.204 billion, representing an increase of 12.01% or RMB290.875 billion as compared with the end of the previous year.

As at the end of 2019, the Bank's total liabilities reached RMB4,347.377 billion, representing an increase of 7.75% or RMB312.518 billion as compared with the end of the previous year. General deposits reached RMB3,017.888 billion, representing an increase of 17.34% or RMB445.927 billion as compared with the end of the previous year. Owners' equity of the Bank was RMB386.054 billion, representing an increase of 19.72% or RMB63.581 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 2019	As at the end of 2018	Change
Non-performing loan	422.12	384.21	37.91
Non-performing loan ratio	1.56%	1.59%	-0.03%
Loan impairment provision	766.66	676.82	89.84
Provision-to-loan ratio	2.83%	2.80%	0.03%
Provision coverage ratio	181.62%	176.16%	5.46%

As at the end of 2019, the Bank's non-performing loans amounted to RMB42.212 billion, representing an increase of RMB3.791 billion as compared with the end of the previous year. Non-performing loan ratio was 1.56%, representing a decrease of 0.03 percentage points as compared with the end of the previous year.

As at the end of 2019, the balance of credit impairment provisions of the Bank reached RMB76.666 billion, representing an increase of RMB8.984 billion as compared to the end of the previous year. The provision-to-loan ratio was 2.83%, representing an increase of 0.03 percentage points as compared with the end of the previous year. The provision coverage ratio was 181.62%, representing an increase of 5.46 percentage points as compared with the end of the previous year.

### III. Financial Balance

*Unit: RMB100 million*

	2019	2018	Increase	Growth rate
Operating income	1,328.12	1,102.44	225.68	20.47%
Of which: Net interest income	1,019.18	781.64	237.54	30.39%
Net fee and income commission	231.69	197.73	33.96	17.17%
Operating expenses	875.09	692.54	182.55	26.36%
Of which: Operating fees	362.18	317.36	44.82	14.12%
Provision expenses	493.47	358.28	135.19	37.73%
Operating profit	453.03	409.90	43.13	10.52%
Net profit	374.41	337.21	37.20	11.03%

In 2019, the operating income of the Bank was RMB132.812 billion, representing an increase of RMB22.568 billion or 20.47% as compared to the previous year. The net interest income was RMB101.918 billion, representing an increase of RMB23.754 billion or 30.39% as compared to the previous year. The net fee and commission income was RMB23.169 billion, representing an increase of RMB3.396 billion or 17.17% as compared to the previous year.



---

## LETTER FROM THE BOARD

---

In 2019, the incurred operating expenses of the Bank were RMB87.509 billion, representing an increase of RMB18.255 billion or 26.36% as compared to the previous year. Among which, the operating fees were RMB36.218 billion, representing an increase of RMB4.482 billion or 14.12% as compared to the previous year. The cost-income ratio was 27.27%, representing a decrease of 1.52 percentage points as compared with the previous year. The provision charges were RMB49.349 billion, representing an increase of RMB13.519 billion or 37.73% as compared to the previous year.

In 2019, the operating profit of the Bank was RMB45.303 billion, representing an increase of RMB4.313 billion or 10.52% as compared to the previous year. The net profit was RMB37.441 billion, representing an increase of RMB3.720 billion or 11.03% as compared to the previous year. The average return on total assets was 0.82%, representing an increase of 0.02 percentage points as compared to the previous year. The average return on net assets was 11.77%, representing an increase of 0.22 percentage points as compared with the previous year.

#### IV. Capital adequacy

*Unit: RMB*

	<b>As at the end of 2019</b>	<b>As at the end of 2018</b>	<b>Change</b>
Net assets per share	6.10	5.55	0.55
Core tier-1 capital adequacy ratio	9.20%	9.15%	0.05%
Tier-1 capital adequacy ratio	11.08%	10.09%	0.99%
Capital adequacy ratio	13.47%	13.01%	0.46%

As at the end of 2019, the net assets per share of the Bank reached RMB6.10, representing an increase of RMB0.55 as compared to the end of previous year. The Core 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 9.20%, representing an increase of 0.05 percentage points as compared to the end of previous year; the tier-1 capital adequacy ratio was 11.08%, representing an increase of 0.99 percentage points as compared to the end of previous year; the capital adequacy ratio was 13.47%, representing an increase of 0.46 percentage points as compared to the end of previous year, indicating that the capital adequacy indicators increased and maintain a higher level and were compliance with the regulatory requirements.

---

## LETTER FROM THE BOARD

---

### 6. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2019

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 of China Everbright Bank Company Limited, the Company hereby formulates its profit distribution plan for the year 2019 as follows:

1. Taking the net profit of the Company of RMB36,567,425,100 in 2019 as base, a statutory surplus reserve fund of RMB1,873,159,400 was drawn according to the difference between 50% of the registered capital and the balance of statutory surplus reserve of previous year. The accumulated statutory surplus reserve has reached 50% of the registered capital.
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 risk provision of RMB5,379,505,700 was provided at 1.5% of risk assets.
3. Distribution of dividends to shareholders of preference shares amounted to RMB2,218,657,500 (RMB1,060 million distributed on 25 June 2019, RMB390 million distributed on 12 August 2019, and RMB768,657,500 undistributed).
4. Cash dividend was distributed to all shareholders of ordinary shares, with RMB2.14 (before tax) for per 10 shares. Based on the Company's issued shares of 52,489,323,100 shares as of the end of 2019, a total of RMB11,232,715,100 of cash dividends, accounting for 30.07% 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 2019, 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.

### 7. APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2020

In 2019, Ernst & Young Hua Ming Certified Public Accountants (special general partnership) and Ernst & Young (hereinafter referred to as "Ernst & Young") were continued to be engaged as the Company's external auditors, responsible for conducting audit on financial statements and internal control of the Company.

---

## LETTER FROM THE BOARD

---

In accordance with the relevant requirements of the Measures on Appraising the Services Provided by Accounting Firms Engaged by China Everbright Bank 《中國光大銀行對聘任會計師事務所服務的評價辦法》, the Company has conducted comprehensive quantitative evaluation on the audit work performed by Ernst & Young in 2019 in terms of plans and proposals, implementation of audit work and audit reports of each branch and each relevant business department of the head office based on 14 specific assessment indicators, and concluded that the general satisfactory level for its service was high.

Based on the result of the Company's appraisal of the audit work performed by Ernst & Young in 2019 and the consideration of the continuity of external audit work, the Company proposed to re-appoint Ernst & Young Hua Ming Certified Public Accountants (special general partnership) as the domestic auditor of the Company for the year of 2020 and re-appoint Ernst & Young as the overseas auditor of the Company to be responsible for the audit work for the year 2020 of the Company.

It is proposed that the audit fee for the year 2020 will be RMB9.90 million (inclusive of reimbursement and value-added tax), which includes the audit fees of financial statements of RMB9.00 million, and the audit fees of internal control of RMB0.90 million.

---

## LETTER FROM THE BOARD

---

### 8. REMUNERATION OF THE DIRECTORS FOR THE YEAR 2019

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 2019 are set out below:

*Unit: RMB0'000*

Name	Position	Remuneration for 2019 (before tax)
Li Xiaopeng	Chairman, Non-executive Director	–
Cai Yunge	Non-executive Director	–
Lu Hong	Executive Director	–
Wang Xiaolin	Non-executive Director	–
Shi Yongyan	Non-executive Director	–
Dou Hongquan	Non-executive Director	–
He Haibin	Non-executive Director	–
Liu Chong	Non-executive Director	–
Yu Chunling	Non-executive Director	–
Fok Oi Ling Catherine	Independent Non-executive Director	37.00
Xu Hongcai	Independent Non-executive Director	27.08
Feng Lun	Independent Non-executive Director	34.33
Wang Liguo	Independent Non-executive Director	36.00
Shao Ruiqing	Independent Non-executive Director	15.00
Hong Yongmiao	Independent Non-executive Director	9.25
<b>Resigned Director:</b>		
Ge Haijiao	Former Executive Director	–
Fu Dong	Former Non-executive Director	–
	Former Independent Non-executive	
Qiao Zhimin	Director	28.42
	Former Independent Non-executive	
Xie Rong	Director	21.58

*Notes:* 1. The Chairman and Non-executive Directors do not receive remuneration from the Company. The remuneration of Mr. Ge Haijiao, the former Executive Director, and Mr. Lu Hong, the Executive Director, are determined with reference to the remuneration standards of senior management and are subject to the approval from the Board. The Independent Non-executive Directors receive remuneration from the Company.

2. 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.

## LETTER FROM THE BOARD

3. As at the end of 2019, each of Fok Oi Ling Catherine, Xu Hongcai and Hong Yongmiao, the Independent Non-executive Directors, served as the chairman of a special committee and the member of three special committees. Of which, the number of special committees Xu Hongcai, the Independent Non-executive Director, served is adjusted during the year. Feng Lun, the Independent Non-executive Director, served as the member of two special committees, and the number of special committees he served was adjusted during the year, and each of Wang Liguo and Shao Ruiqing, the Independent Non-executive Directors, served as the member of four special committees of the Company.
4. In 2019, Mr. Fu Dong and Mr. Ge Haijiao resigned as Directors of the Company on 16 August and 30 September due to work adjustment. Xu Hongcai, the Independent Non-executive Director, received remuneration from the Company since April, and the remuneration of Mr. Shao Ruiqing and Mr. Hong Yongmiao, the newly-appointed Independent Non-executive Directors, and Mr. Qiao Zhimin and Mr. Xie Rong, the resigned Independent Non-executive Directors, was calculated based on their actual term of service.

### 9. REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2019

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 2019 are set out below:

*Unit: RMB0'000*

Name	Position	Remuneration for 2019 (before tax)
Li Xin	Chairman of the Board of Supervisors, Shareholder Representative Supervisor	234.86
Yin Lianchen	Shareholder Representative Supervisor	-
Wu Junhao	Shareholder Representative Supervisor	-
Wu Gaolian	External Supervisor	-
Wang Zhe	External Supervisor	29.00
Qiao Zhimin	External Supervisor	7.50
Xu Keshun	Employee Representative Supervisor	-
Sun Jianwei	Employee Representative Supervisor	-
Shang Wencheng	Employee Representative Supervisor	-
<b>Resigned Supervisors:</b>		
Yu Erniu	Former External Supervisor	-
Sun Xinhong	Former Employee Representative Supervisor	-
Jiang Ou	Former Employee Representative Supervisor	-
Huang Dan	Former Employee Representative Supervisor	-

- Note:*
1. Shareholder Representative Supervisors (except Chairman of the Board of Supervisors) do not receive remuneration from the Company.
  2. 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.

---

## LETTER FROM THE BOARD

---

3. According to the relevant regulations, the remunerations of the Chairman of the Board of Supervisors for 2019 are determined with reference to the remuneration standards of the senior management of the Company. The final remuneration is in the process of confirmation and the remaining part will be disclosed once confirmed.
4. In 2019, the External Supervisor, Wu Gaolian, did not receive any remuneration.
5. In 2019, the remuneration of newly appointed External Supervisor, Mr. Qiao Zhimin, is calculated based on his actual term of service.
6. On 26 July 2019, Mr. Sun Xinhong, Mr. Jiang Ou and Ms. Huang Dan resigned due to re-election.
7. On 30 July 2019, Mr. Yu Erniu resigned due to expiration of term of service.
8. 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.

### **10. APPLICATION FOR AMOUNTS OF EXTERNAL DONATIONS UNDER TARGETED POVERTY ALLEVIATION AND EMERGENCY CONTINGENCIES FOR THE YEAR 2020**

According to the Plan of Authorisation by Shareholders' General Meeting to the Board Of Directors, 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 RMB8 million and the aggregate amount of external donations made during the year shall not exceed the sum of 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).

According to the Plan of Authorisation by the Board of Directors to the President, the President 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 and the aggregate amount of external donations made during the year shall not exceed the sum of 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).

According to Rule 160 of the Articles of Association of the Company, in the event of an occurrence of any severe natural disaster or any other force majeure event, the President shall be able to exercise the special power of disposition in relation to the affairs of the Company in compliance with the legal provisions and in the interests of the Company, and subsequently report such disposition to the Board of Directors and shareholders' general meeting of the Company.

In order to organize the external donations under targeted poverty alleviation and emergency contingencies of the Company, application is made as follows:

---

## LETTER FROM THE BOARD

---

### **I. Amounts for External Donations**

In accordance with the donation needs under targeted poverty alleviation and temporary emergency contingencies of the Company, the amounts for external donations applied are as follows:

1. Donation amount for targeted poverty alleviation. 2020 is the last year of poverty alleviation, and the donation amounts for three target poverty alleviation counties in Hunan will significantly increase. To this end, application is made for donation amount of RMB50 million for the targeted poverty alleviation of the Company for the year 2020.
2. Donation amount for emergency contingencies. Considering the occasional and contingent occurrence of emergency contingencies (including but not limited to, natural disasters such as earthquakes, geology and meteorology, fires, public health events such as infectious disease epidemics and food safety as well as accidents and disasters such as transportation accidents, environmental pollution and ecological destruction), and the urgency of decision-making of donations, application is made for external donation amount of RMB50 million for emergency contingencies available for utilization.

### **II. Approval and Amount Appropriation**

1. In order to improve work efficiency, it is proposed to authorize the Board of Directors by the Shareholders' general meeting and delegate the authorization by the Board of Directors to the President to approve relevant donations within the above mentioned amounts. At the end of the year, the implementation of the foregoing external donations shall be reported by the management to the Board of Directors.
2. In order to make sure the smooth implementation of other regular donation issues of the Company, it is proposed that the foregoing two donation amounts should be not included in the amount of external donations prescribed under the Plan of Authorisation by Shareholders' General Meeting to the Board of Directors and the Plan of Authorisation by the Board of Directors to the President.

The donations during the year will be implemented in accordance with the requirements of national policies and regulatory authorities and in compliance with laws and regulations.

---

## LETTER FROM THE BOARD

---

### 11. ISSUANCE PLAN AND AUTHORISATION OF FINANCIAL BONDS

In order to continue to broaden the long-term stable funding source, optimize the asset and liability structure of the Bank, pursuant to the relevant laws and regulations, the Company proposes to issue financial bonds in light of the liquidity of the Bank. This proposal is based on financial bond issuance plan and authorization passed at the Board meeting and general meeting of the Company in 2016 and to reauthorize the financial bond issuance plan of the Company, the detailed plan of which is as follows:

1. Total size of issuance: Within the next three years (2020-2022), the balance of the financial bonds to be issued domestically and abroad shall not exceed 5% of the balance of liabilities which is determined based on the liability balance (denominated in RMB) on legal person basis as at the end of the previous year.
2. Term of bonds: No more than 3 years.
3. Rate of the bonds: It will be determined with reference to market rates and method of issuance.
4. Use of proceeds: Granting loans, general working capital of the Bank and other general corporate purpose.
5. Authorization: It is proposed to the general meeting of Shareholders to authorize the Board (and the Board can delegate the senior management of the Bank) to deal with the following matters relating to the bond issuance:
  - (1) within the extent permitted by relevant legal and regulatory authorities, and in accordance with the matching needs of assets and liabilities and market condition, to determine the specific matters relating to the bond issuance, including but not limited to determining the specific time, the issuance amount, the issuance method, the subscribers for issuance, the term of issuance, price of issuance and specific use of funds;
  - (2) to conduct any negotiation relating to the bond issuance and execute the relevant contracts and documents;
  - (3) to submit the application of financial bond issuance to the relevant regulatory authorities and make appropriate adjustments to the relevant specific issuance plan based on the comments from the regulatory authorities (if any);
  - (4) other specific matters relating to the financial bond issuance.
6. Validity of the resolution: The authorization is effective from the date of approval of the resolution by the Shareholders' general meeting of the Company to 31 December 2022.



---

## **LETTER FROM THE BOARD**

---

### **12. 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 Friday, 5 June 2020 at 9:30 a.m. The AGM notice and relevant proxy form and reply slip for the AGM were dispatched to Shareholders on Monday, 20 April 2020.

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

In order to determine the holders of H Shares who will be entitled to attend the AGM, the Company will suspend registration of transfer of H Shares from Wednesday, 6 May 2020 to Friday, 5 June 2020 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong on Friday, 5 June 2020 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 Tuesday, 5 May 2020.

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, 15 May 2020. 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 Thursday, 4 June 2020) 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.

### **14. CLOSURE OF REGISTER OF MEMBERS FOR DISTRIBUTION OF 2019 FINAL DIVIDEND**

In order to determine the Shareholders of H Shares entitled to receive the final dividend for the year ended 31 December 2019, the Company will suspend registration of transfer of shares from Thursday 11 June 2020 to Tuesday, 16 June 2020 (both days inclusive).

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 Wednesday, 10 June 2020. Holders of H Shares whose names are recorded in the register of members of the Company on Tuesday, 16 June 2020 are entitled to receive the final dividend for the year 2019.

---

## LETTER FROM THE BOARD

---

### 15. 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 Directors of the Company are Mr. Liu Jin and Mr. Lu Hong; the Non-executive Directors are Mr. Li Xiaopeng, Mr. Wu Lijun, Mr. Cai Yunge, Mr. Wang Xiaolin, Mr. Shi Yongyan, Mr. Dou Hongquan, Mr. He Haibin, Mr. Liu Chong and Ms. Yu Chunling; and the Independent Non-executive Directors are Ms. Fok Oi Ling Catherine, Mr. Xu Hongcai, Mr. Feng Lun, Mr. Wang Ligu, Mr. Shao Ruiqing and Mr. Hong Yongmiao.*

**2019 WORK REPORT OF THE BOARD OF DIRECTORS  
OF CHINA EVERBRIGHT BANK COMPANY LIMITED**

To all shareholders,

In 2019, the Board earnestly implemented the spirits of the 19th National Congress of the CPC, the 4th Plenary Session of the 19th Central Committee and the Central Economic Work Conference. Focusing on the strategic vision of “Building a First-Class Wealth Management Bank”, the Bank maintained its strategic strength, highlighted value creation, promoted high-quality development, and achieved a new leap in operation performance. The Bank served the real economy, helped inclusive livelihood, practiced social responsibility, and continuously improved its corporate image. The Bank also strengthened scientific decision-making, optimized governance mechanisms, and continuously strengthened the effectiveness of corporate governance. In the fifteenth “Golden Round Table Award” of the board of directors of listed companies in China, the Company won two awards of “Best Board of Directors” and “Most Innovative Board Secretary”. In the annual assessment of the information disclosure of listed companies by the Shanghai Stock Exchange, the Company continued to maintain the grade “A”. In the “Global Bank Brand Value 500” by The Banker, a U.K. magazine in February 2020, the Company ranked 28th in terms of brand value, significantly up by 12, with brand value of USD9.689 billion, an increase of 26.6%. The Bank ranked first in major commercial banks in China in terms of the increment in ranking and value.

**I.      PROMOTED STRATEGIC IMPLEMENTATION AND STRATEGIC LAYOUT, ACHIEVING SIGNIFICANT IMPROVEMENT IN OPERATING PERFORMANCE**

The Board paid close attention to the implementation of strategies and benchmarking with peers, accelerated the strategic layout, and continuously improved operating performance.

**(I)    New steps have been taken in the strategic implementation**

The Board paid close attention to strategic review and evaluation, listened to business analysis on a quarterly basis. The Bank entrusted external auditors to carry out special evaluations on strategy formulation and implementation and to make comments and requirements on areas of coordination of strategic objectives and short-term strategies, the design of strategic indicator systems, the organization and leadership of strategic implementation, innovation and incentive mechanism. The Bank adhered to strategic guidance, instructed the Management to focus on strategic objectives, accelerated the “agile, technological, and ecological” transformation, and strived to promote the construction of wealth E-SBU. On the basis of the benchmarking system established in the previous year, the Bank researched and constructed a comprehensive evaluation indicator system for the market competitiveness of branches and business segments, and achieved an effective connection between the benchmarking system and branches and business segments.

**(II)   New breakthroughs have been made in the strategic layout**

Focusing on the development strategy, the Board carefully studied the construction plans of domestic and foreign institutions, instructed the Management to further improve the layout of the business network, and speed up the pace of integrated operations. In 2019, the Bank achieved major breakthroughs in subsidiary construction and international layout: Everbright Wealth Management,

our subsidiary, was officially unveiled and became the first wealth management subsidiary of a national joint-stock bank to be approved for construction and opening; Sunshine Consumer Finance Company has obtained approval for the establishment after multiple applications; Xiong'an Branch was opened for business and became the first secondary branch of a national joint-stock bank in Xiong'an New District; Sydney branch officially opened, and the application for the Tokyo Representative Office was progressing smoothly.

### **(III) New progresses were achieved in operating performance**

Under the guidance of the strategy, the Bank maintained strategic strength and deepened the implementation of the strategies, achieved new progress in operating performance and peer benchmarking, and the growth rate of a number of business indicators exceeded industry average. As at the end of the year of 2019, the Company's total assets were RMB4,733.431 billion, representing an increase of 8.63% as compared with the end of last year; the operating income were RMB132.812 billion, representing an increase of 20.47% over last year; net profit attributable to shareholders of the Company was RMB37.354 billion, representing an increase of 10.98% over last year; the non-performing loan ratio was 1.56%, decreased by 3BP from the end of last year; the provision coverage ratio was 181.62%, an increase of 5.46 percentage points over the end of last year. In 2019, the Company ranked among the top in the regulatory rating of the CBIRC on national joint-stock banks.

## **II. SERVED THE NATIONAL STRATEGIES AND PRIVATE AND SMALL AND MICRO ENTERPRISES, DEMONSTRATING SOCIAL RESPONSIBILITY**

The Board resolutely implemented the spirit of the central government, fully served the national strategies, and actively participated in poverty alleviation.

### **(I) Actively connected with national strategies to help private and small and micro enterprises**

The Board actively responded to the "three main tasks (三大攻堅戰)", the "Belt and Road" initiative and key regional strategies of China, and guided the Management to study and introduce a series of supporting policies, measures and business strategies. The Bank made active connection with related fields, related regions and related industries to provide comprehensive financial services. As of the end of 2019, the balance of credits on and off the balance sheet in the Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao Greater Bay Area, and the Yangtze River Economic Coordinated Development Areas increased by 22.4%.

At the same time, in order to implement the policies and deployments of central government to support the private economy, Li Xiaopeng, our Chairman, clearly put forward the requirement to increase efforts to provide better financial services to private enterprises. The Management strictly adhered to the requirements of "four equal treatments" and "three advocates". During the year, facilities granted to private enterprise increased by 19%, and the proportion of private enterprise clients of facilities exceeded 70%. The Banks invested RMB7.85 billion by use the funds released from cuts in statutory deposit reserve ratio, and helped private enterprises to reduce leverage and financial costs. The growth rate of inclusive small and micro enterprise loans of the Bank was 9.65

percentage points higher than the average growth rate of loans of the whole bank. The weighted average interest rate of new loans decreased by 70BP from last year, successfully achieved the objective of “two increases and two controls”.

## **(II) Practiced social responsibilities, continued to work hard in poverty alleviation**

The Board actively implemented social responsibilities, supported multiply measures of “industry poverty alleviation + financial poverty alleviation + livelihood poverty alleviation + party building poverty alleviation”, appropriately increased authorization to Management for external donations, considered and approved the proposals to donate to designated poverty alleviation areas. As of the end of 2019, the agricultural loan balance of the Bank was RMB341.6 billion, an increase of RMB31.8 billion; the balance of targeted poverty alleviation loans was RMB19.3 billion, an increase of RMB2.7 billion; donations to poverty-stricken areas amounted to RMB21 million, and 818 poor students under the “Ming De” plan were recognised. The Bank continued to promote public welfare poverty alleviation, donated to the “Mother Water Cellar” project of the China Women ‘s Development Foundation for 15 consecutive years. In 2019, the Bank made a further donation of RMB3 million, with a cumulative donation of more than RMB40 million, to improve drinking water conditions in water-scarce areas; The “Go Brilliant” E-commerce platform has accumulatively sold commodities of more than RMB20 million for poverty-stricken areas; dispatched 64 village staffs to 49 counterpart poverty alleviation areas.

## **III. INCREASED INVESTMENT IN SCIENCE AND TECHNOLOGY TO PROMOTE DIGITAL TRANSFORMATION**

The Board attached great importance to fintech innovation and digital transformation, and pointed out that fintech is the commanding height of future financial industry competition, so forward-looking research and deployment are needed, and the resources allocation of the Bank should be inclined to technology, so as to empower the construction of first-class wealth management bank.

### **(I) Implemented plan to double the investment in science and technology**

According to the technology development strategy of “Creating One Smart Brain, Building Two Platforms of Cloud Computing and Big Data Technology, Improving Three Service Capabilities of Mobility, Openness and Ecology, and Creating N Digitalized Brands” determined by the Board, the Management focused on implementing the plan to double the investment in science and technology and empowering the construction of first-class wealth management bank with technology; focused on increasing support for famous business systems such as cloud payment, consumer credit, inclusive finance, supply chain finance and asset management; researched and established of a fintech innovation incubation fund, improved the efficiency of innovation output and strengthened agile response to the market from first-line jobs; strengthened cooperation with technology companies of the Group to maintain the cutting-edge, scientific and practical nature of the collaborative ecosystem; accelerated the construction of scientific and technological teams and optimized the incentive mechanism for scientific and technological talents. In 2019, the technology investment of the Company reached RMB3.4 billion, an increase of RMB1.05 billion or 45% over last year, accounting for 2.56% of operating income.

**(II) Technological innovation promoted digital transformation**

Under the guidance of the development strategy of science and technology, the Bank has established digital thinking. Artificial intelligence, big data, blockchain, cloud computing and other innovative technologies have been gradually applied to actual business. The prototype of digital bank is taking shape. In terms of artificial intelligence, 4,300 basic data models provided support for smart risk control, smart marketing and smart operations. The Bank built a secure and advanced biometric platform in finance level, and recognition technologies in face, fingerprint, and voiceprint are used in customer service, outlets, self-service equipment and APPs, with a replacement rate for manual customer service of more than 40%. Using blockchain technology, the Bank launched financial products such as “blockchain payment”, “blockchain custody” and “blockchain distribution”, and built the Forfeiting blockchain trading platform. Using cloud computing technology, the Bank provided value-added services for the core enterprises or business districts in the supply chain, and our commercial applications represented by cloud payment and inclusive financial cloud have been recognized by the market. Using big data technology, our efforts in areas such as retail business, risk management, clearance and preservation have shown initial benefits.

**IV. STRENGTHENED RISK MANAGEMENT AND INTERNAL CONTROL TO PROMOTE HIGH-QUALITY DEVELOPMENT**

The Board adhered to the concept of “Creating Value by Managing Risks” and continuously promoted the construction of a first-class risk internal control system of the Bank. Upon consideration and submission by the Risk Management Committee, the Board approved the revisions on the Comprehensive Risk Management Policies, the Capital Management Policies, the Consolidated Statement Management Policies and other basic systems; re-examined and updated the credit policy and risk indicators, adjusted the structure of credit assets, strictly controlled the new credit risks, accelerated the collection and disposal of non-performing assets, and continued to increase the provision. At the end of 2019, the Bank achieved “three declines and two rises”, that is, the declines in the non-performing rate, the attention rate and the overdue rate, as well as the increases in the provision coverage ratio and the loan-to-loan ratio; the overall risk situation was stable, and the risk resistance ability was further strengthened. In the past two years, the non-performing loan ratio of new corporate loans was lower than the industry and historical average, and the asset quality has improved significantly.

The Board strengthened compliance requirements on internal control, strictly implemented the work plan of the CBIRC, and continued to pay attention to the rectification of special governance work such as “consolidating the results of chaos control and promoting compliance construction”; further strengthened the control of money laundering risk and terrorist financing risk in accordance with the anti-money laundering inspection requirements of the People’s Bank of China; considered and approved of the Management Policies on Money Laundering Risk and the Enforcement, Inspection, Rectification and Reporting of Anti-Money Laundering of the Company, improved the working mechanism and the management structure; debriefed the Work Report on Internal Control Compliance and Case Prevention Management, maintained the high-pressure situation of case prevention, strengthened audit supervision and accountability for violations of regulations and disciplines.

**V. IMPROVED THE CORPORATE GOVERNANCE MECHANISM AND IMPROVED THE STANDARDIZATION OF OPERATION**

The Board strictly abided by the principles of system advancement and standardized operation, continuously strengthened the foundation of governance, strictly controlled related party transactions, improved the equity management system and mechanisms, and continuously improved the effectiveness of corporate governance.

**(I) Continued to strengthen the foundation of governance**

On the basis of comprehensively sorting out the latest laws and regulations and regulatory documents at home and abroad, the Board further revised the Articles of Association, the Procedural Rules for the Shareholders' General Meeting and the Procedural Rules for the Board of Directors, and improved relevant provisions such as share repurchase and authorization principles, cumulative voting system for election of Directors and Supervisors; revised the Plan of Authorization by Shareholders' General Meeting to the Board of Directors and the Plan of Authorisation by the Board of Directors to the President to further enhance the comprehensiveness of the authorization matters and the rationality of the authorization permissions; considered and approved the Comprehensive Assessment and Evaluation Methods for Senior Management and the Remuneration Management Methods for Senior Management to further improve the senior management assessment and evaluation mechanism and salary management mechanism of the Company.

**(II) Strengthened management and control on related party transaction**

The Board and the Related Party Transaction Control Committee further strengthened the review of related party transactions. Based on the principles of penetrability, they paid attention to the actual situation of related parties, ultimate debtors and businesses, and paid attention to risk mitigation measures, supervised the strengthening of price control in the process of lending to ensure fairness, transparency and controllable risks of the transactions. The management earnestly implemented the requirements of the Board, organized special meetings on related party transactions, and proposed work requirements such as further strengthening the fairness review, improving the system construction, strengthening the audit review, and optimizing the consideration process of major related transactions. In addition, in accordance with the relevant requirements of the CBIRC, the Company earnestly carried out self-examination on related party transactions, conducted in-depth analysis of the issues found, and initiated investigations and corrections.

**(III) Improved the equity management system and mechanism**

The Board of Directors proactively implemented relevant requirements of the Interim Measures for the Equity Management of Commercial Banks, reviewed and approved the Interim Measures for Equity Management of the Company, and improved the equity management system mechanism; established an annual evaluation mechanism for substantial shareholders, determined the evaluation content and work process. The Bank also considered and approved the 2018 assessment report on substantial shareholders; established a dynamic monitoring mechanism for shareholders holding more than 1% of the shares, closely monitored the changes in the shareholding of the relevant shareholders. The Company formulated relevant working rules to limit the voting rights at the general meeting of

shareholders who pledged the Company's equity reached or exceeded 50% of their shares. The Company strengthened communication and coordination, and promoted shareholders to reach consensus with the regulatory authorities on the issue of "Two participations and One control".

**VI. THE RENEWAL OF THE BOARD OF DIRECTORS WAS SUCCESSFULLY COMPLETED, ACHIEVED SMOOTH OPERATION AND EFFICIENT DECISION-MAKING**

The election of the new session of the Board of Directors of the Company has successfully completed in 2019. All Directors were diligent and diligent, and the Board of Directors acted strictly in accordance with the authorization, achieved high-quality and efficient operation.

**(I) The renewal of the Board of Directors was successfully completed**

The seventh session of the Board of Directors of the Bank expired in June 2019. The Board of Directors drafted a plan for election of the new session in advance, actively communicated with the shareholders, and actively reported to the regulatory institutions to ensure the orderly progress of the renewal. The eighth session of the Board of Directors also composed of 18 members, with the same size and structure; 10 of them are re-elected and 7 are newly elected (one non-executive Director is temporarily vacant). At the same time, based on the regulatory rules and the expertise of the new Directors, the Company adjusted the composition and the chairman of the special committees to ensure the smooth operation of the committees. Due to the great changes in the members that nearly one-half of the new members joined the new session of the Board of Directors, the Board of Directors arranged legal advisers for H shares to conduct special training on Director responsibilities, securities trading restrictions, corporate governance, and enforcement trends of Hong Kong regulatory authorities in accordance with the performance requirements for Directors of the Hong Kong Stock Exchange.

**(II) All Directors performed their duties diligently and made decisions scientifically**

All Directors have performed their duties diligently and conscientiously by timely attending meetings, carefully reviewing the proposals and prudently expressing opinions. In 2019, the Board of Directors held a total of 14 meetings, at which 112 proposals were discussed and 18 reports were debriefed. During the meeting, major issues such as the annual operation plan and budget plan, periodic report, capital replenishment plan, major related party transactions, senior management evaluation and remuneration management methods were reviewed, effectively fulfilled the scientific decision-making responsibilities. In accordance with the authorization of duties, each special committee conducted preliminary research and check on the above-mentioned proposals to provide professional support for the Board of Directors' consideration and decision-making. Throughout the year, the special committees held a total of 46 meetings, at which 90 proposals were considered and 32 reports were debriefed. During the intercessional period, the Directors obtained the information required for performing their duties in a timely manner by reviewing documents, attending management meetings, participating in communication meetings, and external research. Some Directors participated in professional training organized by the CBIRC and the Association of Listed Companies and went to relevant branches and overseas financial institutions for investigation and



research. In addition, the Chairman also held a closed-door meeting with independent Directors to conduct in-depth discussions on issues such as corporate governance, strategy implementation and operation management.

**(III) Implemented resolutions of general meeting earnestly**

In 2019, the Board held a total of 4 shareholders' general meetings, at which 22 proposals were considered and 4 reports were debriefed. According to the resolutions of the shareholders' general meeting, the Bank organized and implemented the dividend distribution, non-public issuance of preference shares and the qualifications approval of new Directors in a timely manner. Besides, the Board exercised its decision-making authority in strict accordance with the Revised 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 2019, the matters considered 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.

**VII. MAINTAINED HIGH STANDARDS OF INFORMATION DISCLOSURE AND ACHIEVED BREAKTHROUGHS IN MARKET VALUE MANAGEMENT**

The Board attached great importance to information disclosure and investor relationship management, effectively strengthened shareholder services, promoted market value management in depth, and strived to create value for shareholders and investors.

**(I) Fulfilled information disclosure on compliant and efficient basis**

According to the regulatory requirement in Hong Kong and Shanghai, the Board and the Audit Committee cautiously considered the Company's 2018 Annual Report, 2019 First Quarterly Report, 2019 Interim Report and 2019 Third Quarterly Report, and discussed in-depth with the management and auditors to ensure their authenticity, accuracy and completeness and fully displays the business ideas, business initiatives and business results of the Company. At the same time, the Company compliantly made information disclosures for significant events. During the year, a total of 116 A-share ad hoc announcements (including non-public documents uploaded to the website) and 127 H-share ad hoc announcements (including A-share overseas regulatory announcements) were published, involving preliminary results estimate, resolutions of meeting, change of the Board of Directors and Supervisors, changes in Directors, Supervisors and senior management, the approval and opening of wealth management subsidiary, non-public issuance of preference shares, connected transactions and other significant issues, to continuously improve the operation and management transparency. The Bank persistently improved the management for information insiders to prevent sensitive information leakage.

**(II) Deeply promote investor relationship management and market value management**

The Company continued to improve communication with investors. The Company held the 2018 financial results (A+H shares) presentation and investors meeting by video connection in Beijing and Hong Kong, the interim results presentation by phone connection in Beijing, and road

shows for the first quarter of 2019 in Beijing and Shanghai. Besides, our wealth management company held open day activity in Qingdao. The Company arranged visiting and on-site surveys for domestic and overseas bank analysts and institutional investors and participated in investment strategy seminars organized by securities traders. The Company also maintained continuous communication with investors through telephone, email, and Shanghai Stock Exchange E-Interaction and other interactive platforms. Besides, the Company further improved the work mechanism for market value management and promoted the institutionalization, coordination and regularization of market value management. As of the end of 2019, the price-to-book ratio of A shares of the Company was 0.75 (P/B), continuously surpassed many comparable peers. The H shares of the Company were selected into the Hang Seng H40 Reference Index.

2020 will be a decisive year for the first step of “three steps” strategy of Everbright Bank to create a first-class wealth management bank. Guided by Xi Jinping ‘s socialist ideology with Chinese characteristics in the new era, the Board of Directors will thoroughly implement the decisions and deployments of the Party Central Committee and fully implement the spirit of the central economic work conference. Besides, under the general principle of “pursuing progress while ensuring stability, seeking opportunities under the changing environment and seeking innovation with progress”, the Board of Directors will comprehensively strengthen the construction of governance mechanism and governance capacity, further promote the in-depth integration of party leadership and corporate governance. The Board of Directors will assist the development of the real economy, accelerate the construction of wealth E-SBU, further improve operating performance, and promote the successful realization of the “three-year progress” goal, and to create greater value for shareholders, society and other stakeholders.

**2019 WORK REPORT OF THE BOARD OF SUPERVISORS  
OF CHINA EVERBRIGHT BANK COMPANY LIMITED**

In 2018, in strict compliance with the provisions of the national laws and regulations, regulatory requirements as well as the Articles of Association, the Board of Supervisors conscientiously implemented the spirit of the Fourth Plenary Session of the 19th CPC Central Committee and the Central Economic Working Conference, actively performed its function of supervising focusing on performance, finance, risk, internal control and strategy by way of meetings, symposiums, inspections, reviewing reports, research and other methods, constantly optimized its working mechanism, emphasized on value creation, and fully realized its supervisory role within the framework of corporate governance, so as to improve the operating efficiency of the corporate governance mechanism and promote the sound development of the Bank's management.

**I. MAJOR TASKS****(I) Give full play to the supervision function under the guidance of supervision against significant decisions**

**First, convene high-quality meetings of the Board of Supervisors and special committees to effectively perform statutory supervision duties.** During the year, in accordance with the Companies Law and the Articles of Association and based on performance requirements, the Board of Supervisors organized and convened 18 meetings of various kinds in total, including 8 meetings of the Board of Supervisors, considering 23 proposals and debriefed 5 reports; 4 meetings of the Supervision Committee, 6 meetings of the Nomination Committee, considering a total of 16 proposals. The Board of Supervisors fully considered a number of proposals such as regular reports, internal control evaluation reports, internal control audit reports, profit distribution plan and accounting policy changes of the Bank, and issued objective and independent opinions and suggestions from the perspective of supervision. 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.

**Second, actively attend relevant meetings and supervise the Bank's major decision-making matters.** During the year, 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 important management meetings, and supervised the research and decision-making process of involving major issues such as operation and management, internal control compliance, risk prevention and control, and development strategy of the Bank, as well as research and review process of various proposals to ensure process standardization and decision compliance; kept abreast of the implementation and progress of major strategic decision-making matters or key operational management measures, and issued supervisory opinions or suggestions on key concerns; supervised the attendance and representations of Directors and senior management, and enhanced the overall grasp of daily performance of Directors and senior management. At the same time, combined with external supervision and industry practice, the Board of Supervisors also delegated some Supervisors to

debrief special reports on anti-money laundering, compensation of senior management, consumer rights protection and data governance, etc. and further expanded the scope of supervision and enriched the content of supervision on the basis of performing duties in compliance with laws and regulations.

**(II) Focus on regulatory requirements and continuously improve the quality and effectiveness of supervision in key areas**

**First, continuously carry out performance supervision and performance evaluation.** The Board of Supervisors supervised the Board of Directors and senior management and its members in performing their duties in accordance with laws, as well as the implementation of the resolutions and regulatory opinions of general meetings by way of attending relevant meetings, reading materials, debriefing reports and on-site investigations. Meanwhile, in accordance with the regulatory requirements and arrangement of relevant systems of the Bank and based on the daily duty performance, the Board of Supervisors conducted performance evaluation for the Board, senior management and its members separately, communicated evaluation results with the Board of Directors and senior management in a timely manner, as well as reported to the general meetings and relevant regulatory authorities in accordance with applicable requirements. It is recommended that the Directors who have been rated as general competent for two consecutive years should be replaced. In this regard, Chairman Li Xiaopeng also made special instructions and implemented the change in the eighth session of the Board of Directors, which further strengthened the supervision effectiveness of the Board of Supervisors.

**Second, continuously deepen financial supervision and assist on improving financial management level.** The Board of Supervisors considered and approved the annual reports, semi-annual reports and quarterly reports for four times with the compliance of financial activities and the truth, accuracy and completeness of financial information as its emphasis, and issued audit opinions to ensure the legality and compliance of preparation process, review procedures and content points. The Board of Supervisors considered and approved the business plans and financial budget plans for 2019, the annual profit distribution plan, and paid timely attention to the annual accounting policy changes, continuously promoted the financial standardized operation of the Company. The Board of Supervisors carefully debriefed the reports from the external audit institutions on the review of regular reports, strengthened communication with accountants, analyzed changes in financial information, and verified the authenticity of financial information. At the same time, combined with the daily focus of the Board of Supervisors, the Board of Supervisors put forward work requirements to the external audit institutions to further improve the quality of work and played a positive role in strengthening the financial management of the Company.

**Third, strengthen the risk supervision and improve the Bank's risk management capabilities.** The Board of Supervisors paid attention to the establishment and improvement of the comprehensive risk management and governance structure of the Bank, paid timely attention to the advice of regulatory authorities and main risks discovered during the inspections by external audit departments, and timely reported at the meeting of the Board of Supervisors, as well as urged the management to make timely rectifications and implementation. During the year, the Board of Supervisors debriefed the annual risk management report, annual regulatory reporting and the Company's rectification and other reports to further strengthen the understanding and knowledge of

the Bank's risk management. The Board of Supervisors regularly and fully communicated with the risk and audit departments on comprehensive risk management and various types of key risk conditions, supervised relevant departments to strengthen risk management and control in key areas, and effectively improved overall risk management capabilities.

**Fourth, strengthen internal control compliance supervision and urge the Bank to operate in compliance with laws and regulations.** The Board of Supervisors paid attention to the establishment and improvement of the internal control governance structure, continuously followed up the implementation of rectification of internal control defects, and effectively performed its internal control supervision duties. During the year, the Board of Supervisors considered the 2019 internal control evaluation report, internal control audit report and other proposals. The Board of Supervisors strengthened the supervision on the internal control system construction, organizational structure, case prevention work, etc. by debriefing reports, discussion and other forms. During the investigation, the Board of Supervisors strengthened the internal control compliance supervision on the branches, deeply understood its system construction and implementation, internal control organization structure, internal control and monitoring and flight inspection, etc., and urged branches to correctly understand the dialectical relationship between development and internal control compliance so as to ensure the legality and compliance of the operation and healthy and steady development of the Bank.

**Fifth, follow up supervision on the strategies and promote the implementation of strategic transformation.** The Board of Supervisors continued to monitor the implementation of strategies and debriefed the special report on the execution of strategies submitted by the management and relevant suggestions on the formulation and implementation of strategies submitted by the auditor via attending the meetings of the Board of Directors and the Strategic Committee. The Board of Supervisors went to relevant branches for consecutive years to carry out investigations on the implementation of strategies, deeply understand the overall progress of execution of strategies, the implementation of strategies, the effectiveness of execution and the problems, as well as timely provide relevant recommendations and advice to promote the implementation of strategic transformation.

**(III) Strengthen self-construction of the Board of Supervisors and improve overall supervisory level**

**First, continuously improve the system construction of the Board of Supervisors.** The Board of Supervisors of the Company adhered to the system construction, and actively strengthened the construction of supervision system to ensure supportable supervision work, clear procedures as well as coordination and orderliness in accordance with the principles of standardization, formulation and standardization. In the year, faced with new situations and new problems encountered during the practice of the Board of Supervisors, in accordance with the regulatory requirements and the newly revised Articles of Association, the Board of Supervisors made relevant amendments to the Rules of Procedure for the Board of Supervisors of China Everbright Bank Company Limited to further improve the supervision system of the Board of Supervisors and provide institutional guarantee for the Board of Supervisors to perform its duties efficiently.

**Second, successfully completed the change of the Board of Supervisors.** The term of the seventh Board of Supervisors of the Company expired in June 2019. In accordance with the relevant laws and regulations and the Articles of Association, the Board of Supervisors determined the election plan at the beginning of 2019, actively identified and selected new Supervisors, carefully reviewed the qualifications of candidates, and prepared to adjust the composition of special committees under the Board of Supervisors. In July 2019, the re-election work was fully completed. The scale of the new Board of Supervisors met the regulatory requirements, the structure was further optimized, and the smooth transition between new and old Board of Supervisors was successfully achieved.

**Third, constantly improve the ability to perform duties of the Board of Supervisors.** After the re-election, the new Board of Supervisors organized new members to attend special training courses for Supervisors within Everbright Group and training courses for Directors and Supervisors of listed companies in Beijing. The Board of Supervisors conducted in-depth study on topics such as corporate governance reform and development, punishment case analysis of supervisors' violations of laws and regulations, interpretation of financial statements and disclosure of information in annual reports, so that new Supervisors are able to quickly move into the role, better understand the supervisory emphases and methods of the Board of Supervisors, and the overall performance level of the Board of Supervisors would be further enhanced.

**(IV) Carry out in-depth research to enhance the contribution of work value of the Board of Supervisors**

Investigation and research are the basis of planning and the way to success. According to the general goal of "building a first-class wealth management bank", in 2019, the Board of Supervisors closely followed the theme of "value creation", and the chairman of the Board of Supervisors (as the leader) formed a research team with some Supervisors and members of relevant departments to reach the grassroots level. The research team successively conducted research on strategy implementation, serving the real economy as well as risk and internal control management in 11 branches, 4 second-level branches and nearly 20 outlets, made recommendations for improvement through research, urged relevant branches to improve management, strengthened the implementation of strategies, and contributed to the "three-year promotion".

**First, implementation of strategies.** The Board of Supervisors focused on the implementation of bank strategies in the Bank, the understanding of the implementation of bank strategies at branches and the benchmarking promotion of branches with local banks during research and investigation. As for the investigation, some branches have formulated implementation rules and three-year plans based on the Bank's strategies and its actual conditions, adjusted the management thought and working ideas continuously to strive for promotion. However, in the development of specific business, some issues worthy of attention have also arisen. For example, the average of general deposits at the end of a month is the only indicator in the scale indicators, which is easy to cause the branches to impulsively scramble to meet regulatory deposit level at the end of a month; there is still room for further optimization of the structure and cost of deposits. The research team of the Board of Supervisors provided relevant recommendations in such aspects as differentiated strategic management, optimized business structure, and index settings in the comprehensive evaluation system.

**Second, serving the real economy.** At the end of 2018, the Company held a symposium to support the development of private economy, conveyed and learned the important instructions of the central leadership to support the development of the private economy, and put forward the work requirements of “four equal treatments” and “three advocates”. It is investigated that each branch could actively carry out work deployment according to its actual condition, and take multiple measures from product innovation, process optimization, policy support, corporate cooperation, etc. to support the real economy and serve private enterprises with practical actions. However, certain branches also faced some difficulties and problems in the development of related businesses, such as inadequate understanding of emerging and high-tech industries in private enterprises, as well as their economic laws, development and changes, which led to relatively cautious in supporting the private economy. From the perspective of the headquarter and branches, the research team provided relevant suggestions in terms of linkage and coordination, creation of inclusive finance products and inclusive finance policy support, etc.

**Third, risk and internal control management.** It is investigated that most branches could earnestly implement the national policies and financial regulatory requirements, actively implement various regulations, build a bottom-line thinking, strengthen compliance culture education, strengthen comprehensive risk management, and enhance risk management and control capabilities. However, under the background of the current economic downturn, with the tightening of regulatory policies, the risk control pressure of some branches is still very severe, including the pressure of credit risk management and control as well as the higher regional risk of individual branches. The research team recommended that the Bank needs to continue to strengthen the “three defense lines” and strictly control asset quality, and meanwhile further strengthen the construction of authorization system and practically improve the effectiveness of internal control.

Research reports prepared for aforementioned researches were reported to the Chairman of the Board and the President 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.

## **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 2019 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 by means of attending the meetings of the Board of Directors, meetings of special committees under the Board of Directors, and communication meetings of Directors; referring to the minutes and resolutions of the Board meetings as well as, reviewing the written reports. The monitoring and evaluation report is as follows:

During 2019, the Board of Directors conscientiously implemented the spirit of the Fourth Plenary Session of the 19th CPC Central Committee and the Central Economic Working Conference, strictly abided by the national regulatory requirements and the listing rules of Shanghai and Hong

---

## APPENDIX II 2019 WORK REPORT OF THE BOARD OF SUPERVISORS

---

Kong, positively fulfilled the responsibilities under the Companies Law and the Articles of Association. The Board of Directors closely followed the strategic vision of “building a first-class wealth management bank”, perfected the system and mechanisms, accelerated business transformation, improved management quality and efficiency, and continuously enhanced corporate governance abilities, so as to promote the Company’s sustainable and healthy development and create more value for Shareholders and the society.

***1. Fully perform functions of meetings and continuously improve the standardization of operation***

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. During the year, in accordance with its work requirements, the Bank convened 4 general meetings where 22 proposals were considered and 4 reports were debriefed; 14 meetings of the Board of Directors where 112 proposals were considered and 18 reports were debriefed and 46 meetings of the special committees where 90 proposals were considered and 32 reports were debriefed. The number of meetings held, procedures, attendance, proposal deliberations and voting method all complied with legal requirements and provisions of the Articles of Association.

The term of the seventh Board of Supervisors of the Company expired in June 2019. In accordance with the supervisory function, the Board of Supervisors supervised the change of the Board and the selection process of Directors by attending relevant meetings. The selection procedures for new Directors are in compliance with regulations, and the personnel structure and professional background of the Board of Directors and its special committees meet the requirements of domestic and foreign regulatory authorities.

During the year, the Board of Directors continued to strengthen the system construction, organized to amend the Articles of Association, Rules of Procedure for the Shareholders’ General Meetings, Rules of Procedure for the Board of Directors, Plan of Authorization by Shareholders’ General Meeting to the Board of Directors, Plan of Authorization by the Board of Directors to the President”, etc., formulated the Interim Measures for the Equity Management to improve the equity management system and mechanism and effectively implement the regulatory requirements. The formulation, revision and improvement of relevant systems will further consolidate the governance foundation and enhance the Company’s governance capabilities.

***2. Actively perform decision-making functions and strive to achieve value creation***

Firstly, actively promote the implementation of the Company’s strategy to achieve high-quality development. The Board of Directors paid great attention to the implementation of development strategies. During the year, the Board of Directors debriefed the strategy execution report for the year 2018 from the management and the auditors’ relevant suggestions on strategy formulation and implementation, and supported the management to speed up its international layout and the construction of subsidiaries. The Board of Directors deepened the peer benchmarking, deepened internal reforms, increased investment in science and



technology, accelerated transformation and upgrading, continued to improve operation results, and developed various famous products to further promote the Company to accelerate the “agile, technological and ecological” transformation.

Secondly, adhere to the concept of “risk management creates value” and effectively perform 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, and promoted the Company to build a first-class risk internal control system. During the year, the Board of Directors approved the basic risk management system, determined the risk appetite of the Bank, debriefed risk management related reports, strictly implemented the requirements of regulatory authorities, completed various types of risk internal control special rectification, and urged the Company to continuously improve the risk internal control level.

Thirdly, deeply develop the construction of corporate culture and actively fulfill social responsibilities. The Board of Directors attached great importance to the construction of corporate culture, focused on creating the home culture, sunshine culture, pro-business culture and responsibility culture with the characteristics of the Company. The Board of Directors firmly implemented the spirit of the central government, served the real economy, supported private enterprises, and helped small and micro enterprises solve the financing difficulties. Through various methods such as credit support, cadre stationing and charitable donations, the Board of Directors continued to make efforts to alleviate poverty, and used practical actions to interpret the presence of Everbright and fulfill social responsibilities.

**3. *Carry out information disclosure with compliance and effectiveness and constantly 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 116 temporary announcements about A Shares and 128 temporary announcements about H Shares were issued throughout the year. The contents of announcements mainly include performance express, resolutions of the general meetings, resolutions of the Board meetings and related party transactions. There was no illegal or irregularity in information disclosure. The Board of Directors strictly controlled related party transactions, and prudently carried out the examination and approval and filing of related party transactions. According to the relevant requirements of regulatory authorities, the Board of Directors actively conducted self-examination of related party transactions, found problems, analyzed reasons, implemented rectification, and submitted self-inspection report and rectification report to the regulatory authorities on time.

*The Board of Supervisors considered that:*

In 2019, 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 shall further strengthen capital management and make capital replenishment to meet regulatory requirements and business development needs; the Board of Directors shall complete the supplementary work of the Directors as soon as possible to replace the independent Directors who have not been re-elected, ensuring that the size and composition of the Board meet the regulatory requirements; the Board of Directors shall continue to strengthen the duty performance of Directors and term management, and urge them to perform their loyal and diligent obligations.

## **(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 2019. The chairman of the Board of Supervisors attended office meetings of the President, the Board of 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 form the comments on duty performance evaluation of the senior management in 2019. The supervision and assessment on duty performance is as follows:

In 2019, the senior management of China Everbright Bank strictly 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 maintained its strategic focus, focused on key businesses, made steady growth, sought opportunities in change, strengthened the development of high-quality development capabilities, accelerated the “agile, technological and ecological” transformation, made new progress in management, and achieved new results of building “a first-class wealth management bank”.

***First, deepen the implementation of strategies and unswervingly “build a first-class wealth management bank”***

During the year, the senior management strictly complied with national economic and financial policies and supervisory requirements, focused on the goal of “building a first-class wealth management bank”, deepened the implementation of strategies, and adhered to value creation, achieving inspiring business results. As of the end of 2019, the total assets of the Company amounted to nearly RMB4.8 trillion, operating income increased by more than 20%, and net profit increased by more than 10%. The “623” comprehensive competitiveness score of the Bank continued to increase, and the major operating indicators such as capital adequacy ratio, provision coverage ratio and loan concentration degree were all in line with regulatory requirements. The Company was ranked No.28 in the “Top 500 Global Banking Brands” by The Banker, a U.K. magazine, and the brand value hit a new high.

***Second, stick to the risk bottom line and continue to strengthen risk management and compliance control***

The senior management continued to strengthen the establishment of “three defense lines”, deepened the reform of the risk management system and mechanisms, and strictly implemented the requirements of “three governances” and “two uniformities”. The senior management improved the unified approval management system, optimized credit and investment policies, completed special rectification of various risks such as credit penetration inspection, and promoted the rectification of issues such as the suitability of financial products, financial services charges, consumer security inspections and anti-money laundering inspection. The senior management strengthened audit and supervision, and made breakthroughs in the construction of audit big data model platform system. The non-performing rate, special mention rate and overdue rate decreased, the provision coverage ratio and the provision ratio increased, the overall risk situation was stable, and the risk resistance ability was further enhanced.

***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 supervision work.

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

In 2019, the senior management seriously implemented the resolutions of general meetings and the Board of Directors, practically reinforced the strategy implementation capacity, focused on value creation and continuously optimized business structure, achieved

the budget goals set by the Board of Directors, further enhanced the risk control capacity, as well as leveled up the internal management, playing 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:***

It is recommended that the senior management shall continue to aim at “a first-class wealth management bank”, strengthen the implementation of strategies, insist on serving the real economy; strengthen liquidity risk management, strictly prevent compliance risks, ensure stable asset quality, and improve the overall risk management level; strengthen technical innovation, enhance value creation capabilities, strive to “three tough battles”, and make every effort to achieve “four multiplications”.

**(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 2019. The Board of Supervisors conducted comprehensive evaluation on the duty performance of Directors in 2019 based on the daily supervisory records, and with reference to the self-evaluation of Directors, evaluation of the Board of Directors and evaluation of Supervisors. The results showed that Mr. Li Xiaopeng, Mr. Cai Yunge, Mr. Lu Hong, Mr. Wang Xiaolin, Mr. Shi Yongyan, Mr. Dou Hongquan, Mr. He Haibin, Mr. Liu Chong, Ms. Yu Chunling, Ms. Fok Oi Ling Catherine, Mr. Xu Hongcai, Mr. Wang Liguu, Mr. Shao Ruiqing, Mr. Hong Yongmiao 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 2019. The Board of Supervisors conducted a comprehensive evaluation of the duty performance of Supervisors in 2019 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.

**III. INDEPENDENT OPINIONS ON RELEVANT MATTERS**

**(I) Lawfulness of business operation**

In 2019, the Company carried out operating activities in accordance with laws, and the decision-making procedures were in compliance with the relevant provisions of laws, regulations and the Articles of Association. There was no violation of the laws, regulations and the Articles of Association or actions that damaged the interests of the Company and Shareholder found in duty performance by the Directors and senior management of the Company.

**(II) Truthfulness of financial reports**

The annual financial report of the Company has been audited by Ernst & Young Huaming and Ernst & Young in accordance with domestic and foreign auditing standards, and has issued the standard unqualified audit report. The financial report truly, accurately and completely reflects the financial situation and operating results of the Company. The preparation of the financial reports and the review procedures thereof complied with applicable laws, administrative rules and regulatory requirements. The Board of Supervisors was not aware of any fraudulent information or distortions or major defects in the financial reports.

**(III) Use of raised funds**

In 2019, the proceeds raised by the Company were used in accordance with the purposes committed in the prospectus.

**(IV) Acquisition and sale of assets**

In 2019, the Board of Supervisors was not aware of any action in the Company's acquisition or sale of assets that involved any insider trading, was detrimental to the rights and interests of the Shareholders or caused the loss of assets of the Bank.

**(V) Related party transactions**

In 2019, the related party transaction management complied with the relevant provisions of national laws, regulations and the Articles of Association. The Board of Supervisors was not aware of any action that was detrimental to the interests of the Company and its shareholders.

**(VI) Implementation of the resolutions of the Shareholders' general meetings**

The Board of Supervisors had no objection to the reports and proposals submitted by the Board of Directors to the general meetings for deliberation in 2019. Through its supervision over the implementation of the resolutions of the general meetings, the Board of Supervisors was of the view that the Board of Directors earnestly implemented the relevant resolutions of the general meetings.

**(VII) Internal control**

The Board of Supervisors considered the 2019 Internal Control Assessment Report of China Everbright Bank Company Limited and had no objection to the contents of the report.

**(VIII) Profit distribution plan**

The Board of Supervisors considered the Profit Distribution Plan of China Everbright Bank Company Limited for the Year 2019 and had no objection to the contents of the report.

---

## **APPENDIX II 2019 WORK REPORT OF THE BOARD OF SUPERVISORS**

---

In 2020, the Board of Supervisors of the Company will continue to adhere to value creation, strengthen supervision mechanism, expand the scope of supervision, deepen the content of supervision, innovate supervision methods and enhance supervisory effectiveness according to the general job requirements of “striving for progress in stability, seeking opportunities in changes and seeking innovations in progress” so as to further improve the level of corporate governance and realize the strategic vision of “building a first-class wealth management bank” at an early date.

---

## NOTICE OF THE 2019 ANNUAL GENERAL MEETING

---



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 2019 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting for 2019 (“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 Friday, 5 June 2020 at 9:30 a.m. to consider and, if thought fit, to pass the following resolutions:

### ORDINARY RESOLUTIONS

1. The 2019 work report of the Board of Directors of China Everbright Bank Company Limited;
2. The 2019 work report of the Board of Supervisors of China Everbright Bank Company Limited;
3. The proposal in relation to the budget plan of fixed asset investment of China Everbright Bank Company Limited for the year 2020;
4. Audited accounts report of China Everbright Bank Company Limited for the year 2019;
5. Profit distribution plan of China Everbright Bank Company Limited for the year 2019;
6. The proposal in relation to the appointment of accounting firms for the year 2020;
7. The proposal in relation to the remuneration of the Directors of China Everbright Bank Company Limited for the year 2019;
8. The proposal in relation to the remuneration of the Supervisors of China Everbright Bank Company Limited for the year 2019; and
9. The proposal in relation to the application for amounts of external donations under targeted poverty alleviation and emergency contingencies of China Everbright Bank Company Limited for the year 2020.

---

# NOTICE OF THE 2019 ANNUAL GENERAL MEETING

---

## SPECIAL RESOLUTION

1. The proposal in relation to the issuance plan and authorization of financial bonds by China Everbright Bank Company Limited.

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

Beijing, the PRC  
20 April 2020

*As at the date of this notice, the Executive Directors of the Company are Mr. Liu Jin and Mr. Lu Hong; the Non-executive Directors are Mr. Li Xiaopeng, Mr. Wu Lijun, Mr. Cai Yunge, Mr. Wang Xiaolin, Mr. Shi Yongyan, Mr. Dou Hongquan, Mr. He Haibin, Mr. Liu Chong and Ms. Yu Chunling; and the Independent Non-executive Directors are Ms. Fok Oi Ling Catherine, Mr. Xu Hongcai, Mr. Feng Lun, Mr. Wang Liguo, Mr. Shao Ruiqing and Mr. Hong Yongmiao.*

Notes:

- (1) For further details on each of the proposed resolutions, please refer to the circular of the Company dispatched to shareholders on Friday, 15 May 2020.
- (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 Wednesday, 6 May 2020 to Friday, 5 June 2020 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong on Friday, 5 June 2020 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 Tuesday, 5 May 2020.

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

The Board of Directors of the Company has recommended a dividend of RMB2.14 (before tax) for every 10 shares for the year ended 31 December 2019 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 Tuesday, 16 June 2020. The register of members of H Shares will be closed from Thursday, 11 June 2020 to Tuesday, 16 June 2020 (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 Wednesday, 10 June 2020.

- (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.



---

## NOTICE OF THE 2019 ANNUAL GENERAL MEETING

---

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 Thursday, 4 June 2020) 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, 15 May 2020. 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, 29 May 2020 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.