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

If you have sold or transferred all your shares in China Everbright Bank Company Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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中國光大銀行股份有限公司

China Everbright Bank Company Limited

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

(Stock code: 6818)

**2020 WORK REPORT OF THE BOARD OF DIRECTORS
2020 WORK REPORT OF THE BOARD OF SUPERVISORS
BUDGET PLAN OF FIXED ASSET INVESTMENT FOR THE YEAR 2021
AUDITED ACCOUNTS REPORT FOR THE YEAR 2020
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2020
APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2021
REMUNERATION OF THE DIRECTORS FOR THE YEAR 2020
REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2020
ISSUANCE OF TIER 2 CAPITAL BONDS**

The letter from the Board is set out on pages 3 to 14 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 Tuesday, 29 June 2021 at 9:30 a.m., together with the relevant reply slip and proxy form, have been sent to the Shareholders on Friday, 14 May 2021.

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 Monday, 28 June 2021) 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.

8 June 2021

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

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DEFINITIONS

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

“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
“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
“H Share(s)”	overseas listed foreign shares of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and traded in Hong Kong dollars
“Articles of Association”	the articles of association of China Everbright Bank Company Limited
“AGM”	the annual general meeting for 2020 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 Tuesday, 29 June 2021 at 9:30 a.m.
“Board” or “Board of Directors”	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
“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
“RMB”	Renminbi, the lawful currency of the PRC
“HKD”	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. Yao Zhongyou

Mr. Qu Liang

Non-executive Directors:

Mr. WU Lijun

Mr. FU Wanjun

Mr. YAO Wei

Mr. LIU Chong

Independent Non-executive Directors:

Mr. XU Hongcai

Mr. WANG Ligu

Mr. SHAO Ruiqing

Mr. HONG Yongmiao

Mr. LI Yinquan

Mr. Han Fuling

Registered Office:

China Everbright Center

No. 25 and 25A Taipingqiao Avenue

Xicheng District

Beijing 100033, PRC

Principal Place of Business

in Hong Kong:

23/F

Everbright Centre

108 Gloucester Road

Wan Chai

Hong Kong

8 June 2021

To the Shareholders

Dear Sir or Madam,

**2020 WORK REPORT OF THE BOARD OF DIRECTORS
2020 WORK REPORT OF THE BOARD OF SUPERVISORS
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ISSUANCE OF TIER 2 CAPITAL BONDS**

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. 2020 WORK REPORT OF THE BOARD OF DIRECTORS

The full text of the 2020 Work Report of the Board of Directors is set out in Appendix I to this circular.

3. 2020 WORK REPORT OF THE BOARD OF SUPERVISORS

The full text of the 2020 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 2021

Based on the mid- and long-term development strategies of the Company, we have proposed the strategic vision of “building a first-class wealth management bank”. In order to strengthen strategic orientation and innovation drive, highlight the characteristics of wealth management and financial technology, achieve the stage goal of “to a new level”, and facilitate the implementation of the “leap development plan”, combining with the economic situation, policy environment and market competition pattern, in 2021, in terms of fixed asset investment, the Company will increase its investment in information technology and financial technology innovation. We will also support the expansion of business projects, continue to promote and solve the needs for the construction of operation premises for branches, strictly configure transportation vehicles in accordance with standards, and tightly arrange general fixed asset investments such as the daily office equipment upgrade. The total fixed asset investment budget for the year is RMB14.012 billion, of which RMB11.005 billion will be used for the construction of operation premises, RMB2.249 billion will be invested in information technology, RMB188 million will be invested in channel construction, and RMB570 million will be invested in office equipment upgrade and other investments. Details are as follows:

Items	Budget for 2021
	<i>Unit: RMB100 million</i>
Construction of operation premises	110.05
Investment in information technology	22.49
Channel construction	1.88
Office equipment upgrade and other investments	5.70
	<hr/>
Total	<u>140.12</u>

LETTER FROM THE BOARD

5. AUDITED ACCOUNTS REPORT FOR THE YEAR 2020

In 2020, in the face of a series of difficulties and challenges brought about by the COVID-19 pandemic, the Company has always been guided by Xi Jinping's thoughts on socialism with Chinese characteristics in the new era, thoroughly implemented the decisions and deployments of the Party Central Committee and the State Council, fully implemented the spirit of the Central Economic Work Conference and the important instructions of the central leadership, and adhered to the "two hands" of epidemic prevention and control and business development, fully fulfilled the responsibilities and accountability as the financial national team, enhanced the ability to serve the real economy, and solidly performed the "six stability" and "six guarantees".

The Company has steadily promoted the construction of a first-class wealth management bank. In accordance with the general work requirements of "seeking progress while maintaining stability, seeking opportunities while changing, and seeking innovation while progressing", the Company implemented new development concepts, promoted high-quality development, focused on improving value creation capabilities, and comprehensively fought in "three tough battles", realized "four doublings" and "five breakthroughs", and achieved good operating results. Our revenue has achieved good growth, and realized "remarkable results even though in the tough year (小年不小)". The profit growth has changed from negative to positive, financial indicators have been better than expected, and performance has been outstanding; the overall growth of assets and liabilities has been stable, of which deposits and core deposits have achieved rapid growth; certain wealth management business has a strong development momentum, digital transformation has accelerated, and comprehensive competitiveness has been further enhanced.

I. Assets and Liabilities

Unit: RMB100 million

	As at the end of 2020	As at the end of 2019	Increase	Growth rate
Assets	53,681.10	47,334.31	6,346.79	13.41%
Of which: loans	30,094.82	27,122.04	2,972.78	10.96%
Debts	49,131.12	43,473.77	5,657.35	13.01%
Of which: general deposits	34,806.67	30,178.88	4,627.79	15.33%
Owners' equity	4,549.98	3,860.54	689.44	17.86%

As at the end of 2020, the total assets of the Bank amounted to RMB5,368.110 billion, representing an increase of 13.41% or RMB634.679 billion as compared to the end of the previous year. The balance of loans reached RMB3,009.482 billion, representing an increase of 10.96% or RMB297.278 billion as compared with the end of the previous year.

As at the end of 2020, the Bank's total liabilities reached RMB4,913.112 billion, representing an increase of 13.01% or RMB565.735 billion as compared with the end of the previous year. General deposits reached RMB3,480.667 billion, representing an increase of 15.33% or RMB462.779 billion

LETTER FROM THE BOARD

as compared with the end of the previous year. Owners' equity of the Bank was RMB454.998 billion, representing an increase of 17.86% or RMB68.944 billion as compared with the end of the previous year.

II. Asset Quality

Unit: RMB100 million

	As at the end of 2020	As at the end of 2019	Change
Non-performing loan	416.66	422.12	-5.46
Non-performing loan ratio	1.38%	1.56%	-0.18%
Loan impairment provision	761.27	766.66	-5.39
Provision-to-loan ratio	2.53%	2.83%	-0.30%
Provision coverage ratio	182.71%	181.62%	1.09%

As at the end of 2020, the Bank's non-performing loans amounted to RMB41.666 billion, representing a decrease of RMB546 million as compared with the end of the previous year. Non-performing loan ratio was 1.38%, representing a decrease of 0.18 percentage points as compared with the end of the previous year.

As at the end of 2020, the balance of loan impairment provisions of the Bank reached RMB76.127 billion, representing a decrease of RMB539 million as compared to the end of the previous year. The provision-to-loan ratio was 2.53%, representing a decrease of 0.30 percentage points as compared with the end of the previous year. The provision coverage ratio was 182.71%, representing an increase of 1.09 percentage points as compared with the end of the previous year.

III. Financial Balance

Unit: RMB100 million

	2020	2019	Increase	Growth rate
Operating income	1,424.79	1,328.12	96.67	7.28%
Of which: net interest income net fee and income commission	1,106.97	1,019.18	87.79	8.61%
Operating expenses	967.93	875.09	92.84	10.61%
Including: operating expenses Provision expenses	375.89	362.18	13.71	3.79%
Operating profit	569.32	493.47	75.85	15.37%
Net profit	456.87	453.03	3.84	0.85%
	379.05	374.41	4.64	1.24%

LETTER FROM THE BOARD

In 2020, the operating income of the Bank was RMB142.479 billion, representing an increase of RMB9.667 billion or 7.28% as compared to the previous year. The net interest income was RMB110.697 billion, representing an increase of RMB8.779 billion or 8.61% as compared to the previous year. The net fee and commission income was RMB24.323 billion, representing an increase of RMB1.154 billion or 4.98% as compared to the previous year.

In 2020, the incurred operating expenses of the Bank were RMB96.793 billion, representing an increase of RMB9.284 billion or 10.61% as compared to the previous year. Among which, the operating fees were RMB37.589 billion, representing an increase of RMB1.371 billion or 3.79% as compared to the previous year. The cost-income ratio was 26.38%, representing a decrease of 0.89 percentage points as compared with the previous year. The provision charges were RMB56.932 billion, representing an increase of RMB7.585 billion or 15.37% as compared to the previous year.

In 2020, the operating profit of the Bank was RMB45.687 billion, representing an increase of RMB384 million or 0.85% as compared to the previous year. The net profit was RMB37.905 billion, representing an increase of RMB464 million or 1.24% as compared to the previous year. The average return on total assets was 0.75%, representing a decrease of 0.07 percentage points as compared to the previous year. The average return on net assets was 10.71%, representing a decrease of 1.06 percentage points as compared with the previous year.

IV. Capital adequacy

Unit: RMB

	As at the end of 2020	As at the end of 2019	Change
Net assets per share	6.45	6.10	0.35
Core tier-1 capital adequacy ratio	9.02%	9.20%	-0.18%
Tier-1 capital adequacy ratio	11.75%	11.08%	0.67%
Capital adequacy ratio	13.90%	13.47%	0.43%

As at the end of 2020, the net assets per share of the Bank reached RMB6.45, representing an increase of RMB0.35 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 9.02%, representing a decrease of 0.18 percentage points as compared to the end of previous year; the tier-1 capital adequacy ratio was 11.75%, representing an increase of 0.67 percentage points as compared to the end of previous year; the capital adequacy ratio was 13.90%, representing an increase of 0.43 percentage points as compared to the end of previous year, indicating that the capital adequacy ratio indicators remained compliance with the regulatory requirements.

LETTER FROM THE BOARD

6. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2020

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, the Securities Law and the relevant requirements of the Articles of Association, the Company hereby formulates its profit distribution plan for the year 2020 as follows:

1. As at the end of 2020, the Company's accumulative statutory surplus reserves amounted to RMB26,244.5636 million, which had reached 50% of the registered capital. Therefore, according to the relevant requirements of the Companies Law of the PRC, no provision will be made for this profit distribution.
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 provision of RMB7,492.2996 million was provided.
3. Distribution of cash dividends to Shareholders of Preference shares amounted to RMB3,130 million (RMB1,060 million was distributed on 29 June 2020 and RMB390 million was distributed on 11 August 2020. RMB1,680 million were distributed on 19 April 2021).
4. Cash dividends were distributed to all Shareholders of ordinary Shares at RMB2.10 (before tax) per 10 Shares. Based on the Company's issued Shares of 54,031.9090 million as at the end of 2020, the total cash dividends amounted to RMB11,346.7009 million, accounting for 30.00% of the net profit attributable to equity Shareholders of the Company on consolidation basis. As the convertible bonds issued by the Company are in the conversion period, if the total share capital changes before the equity distribution registration date, the Company will keep the total amount of cash dividends to be distributed unchanged and accordingly adjust the dividends to be distributed per share. Specific adjustments will be announced separately. The cash dividends were denominated and declared in RMB, paid to Shareholders of A Shares in RMB and paid to Shareholders of H Shares in HKD. The actual amount paid in HKD shall be calculated based on the average benchmark exchange rate of RMB against HKD announced by the PBOC one week prior to the Shareholders' general meeting (inclusive of the date of the Shareholders' general meeting).
5. In 2020, 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 2021

In 2020, 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 2020 in terms of three aspects: audit work plans and proposals, implementation of audit 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 customer 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 2020 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 2021 and re-appoint Ernst & Young as the overseas auditor of the Company to be responsible for the audit work for the year 2021 of the Company.

It is proposed that the audit fee for the year 2021 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 2020

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 2020 is set out below:

Unit: RMB0'000

Name	Position	Remuneration for 2020 (before tax)
Li Xiaopeng	Chairman, Non-executive Director	–
Wu Lijun	Vice Chairman, Non-executive Director	–
Liu Jin	Executive Director	–
Lu Hong	Executive Director	–
Liu Chong	Non-executive Director	–
Yu Chunling	Non-executive Director	–
Xu Hongcai	Independent Non-executive Director	43.00
Feng Lun	Independent Non-executive Director	36.00
Wang Liguo	Independent Non-executive Director	42.00
Shao Ruiqing	Independent Non-executive Director	42.58
Hong Yongmiao	Independent Non-executive Director	43.00
Li Yinquan	Independent Non-executive Director	21.50
Resigned Director:		
Cai Yunge	Former Non-executive Director	–
Wang Xiaolin	Former Non-executive Director	–
Shi Yongyan	Former Non-executive Director	–
Dou Hongquan	Former Non-executive Director	–
He Haibin	Former Non-executive Director	–
Fok Oi Ling Catherine	Former Independent Non-executive Director	21.50

- Notes:*
- As of the end of 2020, there were 12 Directors of the Company, and 6 Directors have retired during the year.
 - The Chairman, Vice Chairman and Non-executive Directors do not receive remuneration from the Company. The remuneration of Mr. Liu Jin and Mr. Lu Hong, both the Executive Directors, is determined with reference to the remuneration standards of senior management and is subject to the approval from the Board. The Independent Non-executive Directors receive remuneration from the Company.
 - Since 2020, the remuneration of Independent Non-executive Directors has included a basic remuneration of RMB300 thousand/person/year (before tax), plus an allowance of RMB40 thousand/position/year (before tax) for chairmen of the special committees of the Board and an allowance of RMB30 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

4. As at the end of 2020, each of Xu Hongcai, Hong Yongmiao, Shao Ruiqing and Li Yinquan, the Independent Non-executive Directors, served as the chairman of a special committee and the member of three special committees of the Company. Of which, Shao Ruiqing, the Independent Non-executive Director, received allowance as the chairman of the Audit Committee since June, Li Yinquan, the Independent Non-executive Director, received allowance as the chairman of the Related Party Transaction Control Committee since July, Feng Lun, the Independent Non-executive Director, served as the member of two special committees of the Company, and Wang Liguu, the Independent Non-executive Director, served as the member of four special committees of the Company.
5. In 2020, Mr. He Haibin resigned as the Non-executive Director of the Company on 27 July due to work adjustment. Each of Mr. Wang Xiaolin, Mr. Shi Yongyan and Mr. Dou Hongquan resigned as the Non-executive Director of the Company on 28 July. Mr. Cai Yunge resigned as the Non-executive Director of the Company on 23 September. The remuneration of Mr. Li Yinquan, the newly appointed Independent Non-executive Director, and Ms. Fok Oi Ling Catherine, the resigned Independent Non-executive Director, was calculated based on their actual term of service.

9. REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2020

In accordance with the relevant requirements of the Articles of Association and the performance of duties by the Supervisors, the proposed remuneration of the Supervisors for the year 2020 are set out below:

Unit: RMB0'000

Name	Position	Remuneration for 2020 (before tax)
Yin Lianchen	Shareholder Representative Supervisor	–
Wu Junhao	Shareholder Representative Supervisor	–
Wu Gaolian	External Supervisor	–
Wang Zhe	External Supervisor	33.00
Qiao Zhimin	External Supervisor	34.00
Xu Keshun	Employee Supervisor	–
Sun Jianwei	Employee Supervisor	–
Shang Wencheng	Employee Supervisor	–
Resigned Supervisors:		
Li Xin	Former Chairman of the Board of Supervisors, Shareholder Representative Supervisor	–

- Notes:*
1. Shareholder Representative Supervisors (except chairman of the Board of Supervisors) do not receive remuneration from the Company.
 2. On 19 January 2021, Mr. Li Xin resigned the position of the chairman of the Board of Supervisors and the Shareholder Representative Supervisor of the Company due to retirement. According to the relevant regulations, the remuneration of Mr. Li Xin for 2020 is determined with reference to the remuneration standards of the senior management of the Company. His final remuneration is in the process of confirmation and will be disclosed once confirmed.

LETTER FROM THE BOARD

3. 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.
4. Since 2020, the remuneration standards of external Supervisors have included a basic remuneration of RMB270 thousand/person/year (before tax), plus an allowance of RMB40 thousand/position/year (before tax) for chairmen of the special committees of the Board of Supervisors and an allowance of RMB30 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.
5. As at the end of 2020, Qiao Zhimin, the external Supervisor, served as the chairman of 1 special committee and the member of 1 special committee; Wang Zhe, the external Supervisor, served as the member of 2 special committees of the Company; and Wu Gaolian, the external Supervisor, did not receive any remuneration from the Company in accordance with relevant regulations of competent authorities of the PRC.

10. ISSUANCE OF TIER 2 CAPITAL BONDS

In order to further improve the Company's capital adequacy level and enhance sustainable development capabilities, the Company proposes to issue tier-two capital bonds in accordance with the requirements under the Administrative Measures on Capital of Commercial Banks (Trial) and the Opinions on Further Supporting Commercial Banks' Innovation on Capital Instruments (Yin Jian Fa [2018] No. 5) and relevant regulatory documents, details of which are as follows:

I. Main Contents of the Issuance Plan

Total issuance amount: not more than RMB60 billion, or equivalent in foreign currencies;

Types of capital instruments: Tier 2 capital instruments, which meet the relevant requirements as stipulated in Administrative Measures on Capital of Commercial Banks (Trial), and can be used to replenish Tier 2 capital of commercial banks;

Market for issuance: domestic and overseas markets;

Tenor: 5+5, 10+5;

Interest rate: to be determined with reference to market interest rates and method of issuance;

Redemption option: can be redeemed upon the approval of regulatory authorities after 5 or 10 years upon issuance;

Means of loss absorption: upon the occurrence of triggering events as specified in the issuance documents, the loss shall be absorbed through a write-down mechanism;

Use of proceeds: to replenish Tier 2 capital;

Term of validity of the resolution: 24 months from the date of approval by the Shareholders' general meeting.

LETTER FROM THE BOARD

The specific issuance plan within the scope of the above main contents of issuance plan shall be optimized and adjusted pursuant to the requirements by the regulatory authorities.

II. Matters Relating to Authorization

It will be proposed at the Shareholders' general meeting for the authorization to the Board of Directors, and authorization from the Board of Directors to the chairman and president for jointly or solely determining the specific terms on the issuance of tier-two capital bonds and handling of related matters under the framework and principal being considered and approved at the Shareholders' general meeting and pursuant to the rules and approval requirements promulgated by relevant regulatory authorities and the aforementioned terms and conditions, including but not limited to entering into agreements, engagement of intermediary, applying to relevant regulatory authorities for the issuance and relevant matters. The validity of such authorization shall be 24 months commencing from the date of approval by the Shareholders' general meeting. During the validity of the tier-two capital bonds, authorization is granted to the Board of Directors and to be delegated from the Board of Directors to the chairman and president to jointly or solely handle relevant matters such as redemption and write-down pursuant to the rules and approval requirements promulgated by relevant regulatory authorities.

11. 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 Tuesday, 29 June 2021 at 9:30 a.m. The AGM notice and relevant proxy form and reply slip for the AGM were dispatched to Shareholders on Friday, 14 May 2021.

12. 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 has suspended the registration of transfer of H Shares from Sunday, 30 May 2021 to Tuesday, 29 June 2021 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong on Tuesday, 29 June 2021 are entitled to attend the AGM.

In order to qualify to attend the AGM, holders of H Shares of the Company must deposit the transfer documents accompanied by relevant share certificates to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 28 May 2021.

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) and the Company (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 Tuesday, 8 June 2021. 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 Monday, 28 June 2021) 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.

LETTER FROM THE BOARD

13. CLOSURE OF REGISTER OF MEMBERS FOR DISTRIBUTION OF 2020 FINAL DIVIDEND

In order to determine the Shareholders of H Shares entitled to receive the final dividend for the year ended 31 December 2020, the Company will suspend registration of transfer of Shares from Tuesday, 6 July 2021 to Sunday, 11 July 2021 (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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 5 July 2021. Holders of H Shares whose names are recorded in the register of members of the Company on Sunday, 11 July 2021 are entitled to receive the final dividend for the year 2020.

14. 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. Yao Zhongyou and Mr. Qu Liang; the Non-executive Directors are Mr. Li Xiaopeng, Mr. Wu Lijun, Mr. Fu Wanjun, Mr. Yao Wei and Mr. Liu Chong; and the Independent Non-executive Directors are Mr. Xu Hongcai, Mr. Wang Ligu, Mr. Shao Ruiqing, Mr. Hong Yongmiao, Mr. Li Yinquan and Mr. Han Fuling.

**2020 WORK REPORT OF THE BOARD OF DIRECTORS
OF CHINA EVERBRIGHT BANK COMPANY LIMITED**

2020 is an extraordinary year. Facing the sudden COVID-19 epidemic together with the severe and complicated domestic and foreign situation, the Board resolutely implemented the decisions and deployment of the CPC Central Committee and the State Council. Under the general principle of “pursuing progress while ensuring stability, seeking opportunities under the changing environment and seeking innovation with progress”, the Board strengthened the construction of governance mechanism and governance capacity. The Board fought against the epidemic with all its strength, promoted strategy implementation, boosted the real economy, strengthened technological innovation, deepened risk management and control, promoted capital replenishment, adhered to compliance disclosure, promoted market value management, and successfully realized “three-year progress” goal. The Company was rated as BBB+ by Standard & Poor’s for the first time with the rating outlook of “stable”; in the “Top 500 Most Valuable Banking Brands” published by The Banker, a British magazine, in February 2021, the brand ranking of the Company reached a new high and was promoted to the 25th; in the annual assessment and evaluation of the information disclosures of listed companies by the Shanghai Stock Exchange, the Company continued to maintain the “A” level; the Bank won the award of “2020 Excellent Enterprise with High Information Disclosure Reputation” at the fifth “Golden Sail Award.

**I. STRENGTHENED BENCHMARKING AND PROMOTED STRATEGIC TRANSFORMATION,
ACHIEVED SIGNIFICANT RESULTS**

In 2020, the Board paid close attention to the implementation of strategies, promoted the management to strengthen the implementation of strategies, continued to promote the strategic transformation and the improvement of operating performance, and achieved good results in strategy implementation.

(I) Strengthened benchmarking

The Board paid great attention to the implementation of medium and long-term development strategy, and actively promoted the implementation of the strategic vision of “building a first-class wealth management bank” and the strategic goal of “promoting one position in three years, stepping up in five years and creating first-class in ten years” and strengthened benchmarking. The Board regularly listened to the operation report submitted by the management. The Strategic Committee listened to the 2019 Strategy Implementation Report and the Strategy Review and Optimization report. The Directors put forward relevant opinions and requirements on major issues such as strategic transformation, benchmarking, capital supplementation and international layout. In 2020, the benchmarking ranking of market competitiveness of the Company has been substantially improved, achieved the three-year progress goal. Since the implementation of the Company’s medium and long-term development strategy for three years, the core business indicators have achieved leapfrog growth: deposits, loans, operating income, net profit, asset quality, return on total assets and return on net assets, etc., achieved gratifying results.

(II) Promoted strategic transformation

The Board carefully studied and promoted the implementation of strategic transformation, guided the management to adjust and improve the organizational structure, promoted institutional construction, and strengthened the transformation of wealth management bank. In 2020, the Board considered and approved the proposals on the establishment of private banking department, channel management department/consumer rights protection department and international business department, which further optimized the internal organizational structure of the Company. The establishment of CEB Macao Branch was approved by CBIRC, CEB Tokyo Representative Office was approved to establish, and Beijing Sunshine Consumer Finance Co., Ltd. opened successfully, showing that significant progress was made in institutional construction. The effect of wealth management bank transformation is obvious: the number of retail customers was 123 million, among them, wealth management customers reached 950,000, an increase of 22.57%, private banking customers exceeded 40,000, an increase of 24.54%; the total assets of retail customers under management (AUM) was RMB1.92 trillion, an increase of 12.42%.

(III) Steady improvement in performance

Under the guidance of strategies, the Bank maintained its determination in various difficulties, achieved effective business development, and handed in a qualified answer sheet. As of the end of 2020, the Company's total assets were RMB5,368.110 billion, an increase of 13.41%; total liabilities were RMB4,913.112 billion, an increase of 13.01%; operating income was RMB142.479 billion, an increase of 7.28%; the net profit attributable to shareholders of the Company was RMB37.824 billion, an increase of 1.26%; the non-performing loan ratio was 1.38%, a decrease of 0.18 percentage points; the provision coverage ratio reached 182.71%, an increase of 1.09 percentage points. In 2020, the Company continued to be at the forefront of the national joint-stock banking regulatory rating by CBIRC.

II. STRIVED TO FIGHT AGAINST THE EPIDEMIC, HELPED THE REAL ECONOMY AND DEMONSTRATED SOCIAL RESPONSIBILITY

In 2020, in the face of the sudden COVID-19 epidemic, the Board resolutely implemented the central deployment and fully supported the management to prevent and control the epidemic and supported the resumption of work and production of enterprises.

(I) Strived to fight against the epidemic

The Board resolutely implemented the decision and deployment of the CPC Central Committee and the State Council to focus on epidemic prevention and control on the one hand, as well as work and production resumption on the other hand, and fully supported the management to fight against the epidemic. In 2020, the Board and its special committees used on-site + video connections to convene meetings for many times to effectively meet the dual requirements of epidemic prevention and control and corporate governance operations, and ensured the quality and effectiveness of the Board's decision-making. The Board considered and approved the proposals on the quotas for poverty

alleviation and external donation for unexpected emergencies for the year 2020 and anti-epidemic financing of related companies, so that relevant anti-epidemic measures can be implemented in a timely manner.

(II) Helped the real economy

The Board actively implemented national policies and promoted the management to increase efforts to support the real economy. In 2020, the Company adhered to the principle of “credit increase, cost cut and service convenience” to provide one-stop services for entities. As of the end of 2020, the credit balance on and off the balance sheet of private enterprises nearly amounted to RMB1.1 trillion. The Company fully fulfilled the regulatory requirements of “Two Increases and Two Controls”, the balance of inclusive loans reached RMB201.251 billion, an increase of RMB45.855 billion or 29.51%, which was higher than the average growth rate of various loans. The weighted average interest rate of new added loans dropped by 90 BPs year-on-year.

III. INTENSIFIED TECHNOLOGICAL INNOVATION, BUILT DIGITAL BANK AND PERSISTED INNOVATION WHILE ADVANCING

Under the development strategy of science and technology of “creating a smart brain, building two technological platforms of cloud computation and big data, improving three service capabilities of mobilization, openness and ecologicalization”, the Bank promoted the innovative development of management.

(I) Intensified technological innovation

The Board supported the management to intensify scientific and technological innovation in accordance with the requirement of “seeking innovation while advancing”. In 2020, the Company’s funds used for research and development and application of science and technology amounted to RMB5.150 billion, representing an increase of 51.29%, and accounting for 3.61% of the operating revenue; the number of scientific and technological personnel was 1,965, representing an increase of 27.43%, and accounting for 4.24% of the total staff of the Bank. We set up a RMB500 million financial technology innovation fund, and completed the declaration of 148 projects and completed the formal establishment of 47 projects. Six projects of the Company including the “smart cloud life ecosystem” won the awards of PBOC Annual Banking Technology Development Prize. We are the only national joint-stock bank that won the first, second and third prizes.

(II) Built digital bank

Under the guidance of science and technology development strategy, the management made every effort to build a digital banking development system. In 2020, the number of customers of three APPs including CEB Mobile Banking, CEB Sunshine Life and CEB Cloud Fee Payment reached 132 million, representing an increase of 63.37%, of which monthly active customers reached 38.4731 million, representing an increase of 78.50%, with over 85% of businesses going online. The Bank set up the Everbright Digital Finance College, promoted the “Innovation Camp” talent cultivation project, and created “hit products” and “hit stores” such as the “Logistics Express (Wu Liu Tong)” and “Everbright Supermarket”. The Bank built an intelligent risk control platform and upgraded risk

control systems including the Sunshine warning, quota control and risk view. The “Wonderful E-Shopping” platform assisted 80 national poverty-stricken counties in 18 provinces in exploring new ways of poverty alleviation. The Company was awarded the “Best Digital Bank” award by China Financial Certification Authority (CFCA).

IV. DEEPENED RISK MANAGEMENT AND CONTROL, ADHERED TO COMPLIANCE OPERATION, AND STRENGTHENED THE PROTECTION OF CONSUMERS’ RIGHTS AND INTERESTS

In 2020, the Board closely monitored the risk exposure of the Bank, stuck to the compliance bottom line, promoted the management to improve the risk management system and mechanism, strengthened the internal control and compliance management, strengthened the protection of consumer rights and continuously consolidated the foundation of business development.

(I) Deepened risk management and control

The Board and the Risk Management Committee considered and approved the proposals on risk appetite setting and interim review, and regularly listened to the risk management reports of the Bank. The Risk Management Committee considered and approved the proposals on revising IT risk management policies and strategic risk management policies, internal capital adequacy assessment reports, and listened to the report on capital adequacy ratio and report on credit and investment policies. The reform of the Company’s risk management system has been fully implemented, the unified credit policies have been effectively promoted, realized the unified risk limit management of “balance and off balance sheet, domestic and overseas, parent company and subsidiaries”, the differentiated approval authorization has been implemented, the direct approval proportion of the head office was more than a half, and the re-examination proportion of the branches was close to 70%. As at the end of 2020, both of the balance and ratio of non-performing loans of the Company decreased.

(II) Adhered to compliance operation

The Board and the Risk Management Committee considered and approved the proposal on revising the money laundering risk management policies, and listened to the internal control compliance and case prevention management report, the anti-money laundering administrative punishment report and the money laundering risk assessment report. In 2020, the Company underwent inspections from the CBIRC and audit of the Audit Office, carried out the “Look Back” market irregularities crackdown campaign and risk screening, strengthened the intelligent analysis of money laundering risk and suspicious transaction monitoring, and further improved the compliance operation ability.

(III) Strengthened the protection of consumers’ rights and interests

The Board and the Inclusive Finance Development and Consumer Rights and Interests Protection Committee have continuously strengthened the construction of the financial consumer protection system, continuously improved the working mechanism, and urged the management to take measures to effectively protect consumers’ rights and interests. First, considered and approved the proposal on establishment of a channel management department/consumers’ rights and interests

protection department, set up a tier-1 department to be especially responsible for consumers' rights and interests protection, so as to effectively implement the regulatory requirements. Second, revising the Working Rules of the Inclusive Finance Development and Consumer Rights and Interests Protection Committee under the Board in accordance with the regulatory provisions, improved the responsibilities of the committee on consumers' rights and interests protection. Third, debriefed the report on the work plan and implementation of the consumers' rights and interests protection and the implementation of relevant regulatory opinions, and urged the management to take effective measures to fulfill the responsibility of consumers' rights and interests protection.

V. COMPLETED EQUITY CHANGE, PROMOTED CAPITAL REPLENISHMENT, MANAGED AND CONTROLLED RELATED PARTY TRANSACTIONS

In 2020, the Board proactively supported the equity change of relevant shareholders, carried out capital replenishment in an orderly manner, and continuously strengthened the control of related party transactions.

(I) Completed equity change

The Board proactively supported Huijin Company, the substantial shareholder, to transfer all the shares of the Company directly held by it to Everbright Group, and considered and approved the relevant proposal. After the application for change being approved by the CBIRC, the share transfer was successfully completed on 9 July. According to the relevant regulatory requirements, the Board successively disclosed eight announcements, including the approval of the equity change plan, the summary of the acquisition report, the summarized equity change report, the equity change being approved by the CBIRC, and the completion of the share transfer. The equity change has laid a good foundation for the sustainable and healthy development of the Company.

(II) Promoted capital replenishment

The Board has vigorously promoted the capital replenishment of the Company and continuously consolidated the foundation for development. In 2020, on the basis of previously considering and approving the proposal on the issuance of perpetual bonds, the Board assisted the management to seize the favorable opportunities and completed the issuance of RMB40 billion of perpetual bonds, effectively improved the tier-one capital adequacy ratio. The RMB5.8 billion convertible bonds of Everbright Group were converted into shares in advance, improved the capital adequacy ratio by 15BPs. The Company captured the market opportunity of lower interest rate and deferred RMB20 billion of preferred shares with lower cost. As at the end of 2020, the Company's capital adequacy ratio and tier-one capital adequacy ratio have been improved.

(III) Management and control of related party transactions

The Board of Directors and its Related Party Transaction Control Committee continued to strengthen the review of related party transactions to ensure that related party transactions follow the principles of fairness, impartiality, and openness, and are conducted based on market fair value, which were in the interests of the Company and its shareholders as a whole. In 2020, the Board of Directors and the Related Party Transaction Control Committee reviewed and approved 58 major

related party transactions, and filed 29 general related party transactions. The Company conscientiously carried out identification and registration of related parties, and released the four lists of related legal persons; optimized the related party management system and further promoted the online management level of related party management.

VI. IMPROVED THE GOVERNANCE MECHANISM, ENSURED THE DILIGENT PERFORMANCE OF DUTIES, AND STRENGTHENED THE IMPLEMENTATION OF RESOLUTIONS

In 2020, the Company has further improved its governance mechanism. All Directors performed their duties diligently. The resolutions of the General Meeting and the Board of Directors has been effectively implemented, realized the steady operation of corporate governance.

(I) Improved governance mechanism

The Company's corporate governance mechanism has been further improved. First, the Company obtained a good evaluation level-B level in the first corporate governance evaluation of commercial banks conducted by the China Banking and Insurance Regulatory Commission. Second, further improved the corporate governance system. The Board of Directors reviewed and approved proposals such as amending the working rules of the Special Committees of the Board of Directors, amending the management methods of subsidiaries, and formulating a senior management information reporting system. We comprehensively sorted out the key points for the performance of the Board of Directors. Third, increased the number of Directors and senior management in a timely manner. Based on the expertise of each Director, the Board of Directors has supplemented and adjusted the composition of the Special Committees to ensure the smooth performance of the Board of Directors, Special Committees and senior management.

(II) Diligent performance of duties by Directors

All Directors are dedicated to their duties, diligent and responsible, carefully reviewed proposals and expressed opinions prudently. During the year, a total of 3 shareholder meetings, 13 Board meetings, and 33 special committee meetings of the Board of Directors were held, which effectively ensured the smooth progress of corporate governance. The General Meeting considered 18 proposals and heard 2 reports; the Board of Directors considered 133 proposals and debriefed 28 reports; the special committees of the Board of Directors considered 113 proposals and debriefed 31 reports. During the inter-sessional period, the Directors obtained timely information needed to perform their duties by reviewing files and participating in communication meetings. Certain Directors participated in professional training organized by the Association of Listed Companies.

(III) Strengthened the implementation of resolutions

In accordance with the resolutions of the General Meeting, the Company organized, implemented and completed the work such as dividend distribution, qualification approval of new Directors, and poverty alleviation donations on time. Besides, the Board of Directors has exercised its decision-making powers in strict accordance with the rights determined by the "Authorization plan of the General Meeting to the Board of Directors", and prudently carried out the delegation of

authorization to the management. As of the end of 2020, all the matters proposed have been approved in strict accordance with the regulations. The execution of the authorization was good, and there was no situation that exceeds the authorization permission.

VII. MADE DISCLOSURES COMPLIANTLY, DID A GOOD JOB IN MARKET VALUE MANAGEMENT AND ESTABLISHED A MARKET IMAGE

In 2020, the Board of Directors adhered to the principle of compliance disclosure, further enriched the content of the annual report, continued to do a good job in market value management, and achieved good results. The Company's A stock market net ratio has been substantially improved in its ranking among comparable peers.

(I) Compliance disclosure

The Board of Directors adhered to the basic principles of compliance disclosure, carried out information disclosure prudently, and successfully completed the preparation and disclosure of the 2019 annual report and the first quarterly report, interim report and third quarterly report of 2020; cumulatively disclosed 110 A share temporary announcements and 133 H share temporary announcements, timely disclosure of major issues such as performance bulletins, shareholder equity changes, and conversion of controlling shareholders' convertible bonds; and also made disclosures of the 2019 annual report, 2020 interim report and related temporary announcements in the Japanese market. In order to improve the pertinence and effectiveness of information disclosure, the Company focused on the strategic goal of "building a first-class wealth management bank" when preparing the annual report, and enriched and improved the disclosure content.

(II) Did a good job in market value management

Faced with unfavorable situations such as slower macroeconomic growth and general negative attitude towards the banking industry from investment institutions, the Board of Directors supported the management to increase market value management, which has achieved significant results. First, improved the market value management work mechanism, continuously improved the collaborative work mechanism, strengthened communication with key investment institutions and analysts, and increased publicity on market hotspots such as wealth banking, technological innovation, private banking, and coordinated development. Second, combined with the strategic vision and operating performance of the Company, we further focused on the characteristics of wealth management verified by financial indicators, and continuously improved investors' recognition of the Company's long-term development philosophy. Third, strengthened publicity, made every effort to conduct performance announcements and roadshows, and held performance announcements in a timely manner after the 2019 annual report, the first quarterly report, the interim report and the third quarterly report of 2020 respectively, which boosted market confidence.

2021 is the first year of the "14th Five-Year Plan" of the PRC, and it is also the starting year of "to a new level" of the Company. The Board will be guided by Xi Jinping's thoughts on socialism with Chinese characteristics in the new era, fully implement the spirit of the Fifth Plenary Session of the 19th Central Committee of the Party and the spirit of the Central Economic Work Conference,

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correctly understand the current situation, persist in seeking progress while maintaining stability, and strengthen strategic guidance and innovation drive. We will start a new leap in the Company's high-quality development and continue to create new value for shareholders, stakeholders and society.

**2020 WORK REPORT OF THE BOARD OF SUPERVISORS
OF CHINA EVERBRIGHT BANK COMPANY LIMITED**

In 2020, in strict compliance with the provisions of the laws and regulations, regulatory requirements as well as the Articles of Association, and guided by the thought on socialism with Chinese characteristics in the new era as proposed by President Xi Jinping, the Board of Supervisors of the Company conscientiously implemented the spirit of the Fifth 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 according to the general job requirements of “striving for progress in stability, seeking opportunities in changes and seeking innovations in progress”, prompted and improved the corporate governance mechanism, and effectively safeguarded the interests of the Bank, shareholders and employees.

I. MAJOR TASKS**(I) The Board of Supervisors operated in a high efficient and regulative manner, and performed supervision duties in compliance with laws and regulations**

First, meetings of the Board of Supervisors were convened in a high efficient manner, constantly improving the quality and efficiency of meetings. In 2020, in accordance with the Company Law and the Articles of Association and based on performance requirements, the Board of Supervisors organized and convened 12 meetings of various kinds in total, including 5 meetings of the Board of Supervisors, considered 27 proposals and debriefed 22 reports; 3 meetings of the Nomination Committee, 4 meetings of the Supervision Committee, considered a total of 20 proposals. 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.

Second, it actively attended relevant meetings and supervised the major decision-making matters. In 2020, the Board of Supervisors delegated the Supervisors to attend or be present at 3 general meetings, 22 meetings of the Board of Directors and its special committees. By attending the above-mentioned meetings, the Board of Supervisors 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 review process of various proposals, and issued supervisory opinions or suggestions on key concerns; evaluated the attendance and representations of Directors and senior management, and enhanced the overall supervision of daily performance of Directors and senior management.

Third, it continuously summarized the key performance points of the Board of Supervisors to further enrich the supervision content. In 2020, combined with the new situation of supervision, the Board of Supervisors further clarified the relevant matters and specific requirements involved in the performance of the duties of the Board of Supervisors by combing the relevant systems, checking the omissions and filling the gaps, grasping the key performance points, and ensuring that all the relevant issues could be submitted. Meanwhile, combined with external supervision and internal practice, the

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Board of Supervisors also listened to special reports on anti-money laundering, related party transactions, inclusive finance, consumer rights and interests protection, data management, internal audit, etc. On the basis of in-depth research and discussion, the Board of Supervisors put forward numerous constructive and targeted opinions and suggestions to actively and fully perform its supervision duties, and further enrich the supervision content.

Fourth, all the Supervisors performed their duties diligently and faithfully. In 2020, all members of the Board of Supervisors performed their duties professionally and efficiently in strict accordance with the regulatory requirements and the Articles of Association, strengthened the supervisory functions of the Board of Supervisors, and promoted the standardized operation of the Board of Supervisors. All Supervisors attended the meetings of the Board of Supervisors and its special committees in accordance with laws and regulations and exercised their voting rights in an objective and fair manner; actively attended the shareholders' general meetings, meetings of the Board and its special committees and other relevant meetings, and devoted enough time and energy to participate in the supervision and research work. In 2020, the on-site attendance rate of meetings of the Board of Supervisors was 96%, and the on-site attendance rate of special committees of the Board of Supervisors was 95%. Among them, Mr. Wu Gaolian, Mr. Wang Zhe and Mr. Qiao Zhimin, the external Supervisors, attended all the meetings of the Board of Supervisors and its special committees in person, actively participated in the investigation work of the Board of Supervisors of the Company, and engaged in the supervision work for the Company for an average of more than 35 working days. Looking back to 2020, all members of the Board of Supervisors could exert their professional knowledge and experience in their respective fields, which has played an important role in further improving the supervision level and perfecting corporate governance of the Company.

(II) Focused on key areas of supervision, and constantly improved the effectiveness of supervision

In practice, guided by "fulfilling the functions of the Board of Supervisors", the Board of Supervisors focused on the key points of supervision, broadened the scope of supervision, strengthened investigation and research, and further improved the effectiveness of supervision.

First, deepened performance supervision and appraisal. In 2020, in addition to supervising the daily performance of the Board, senior management and their members, the Board of Supervisors formulated the supervision and appraisal measures for the Board of Supervisors on performance supervision of the Board, the Board of Supervisors, senior management and their members, improved the requirements for the daily performance records of Directors, Supervisors and senior management, and built a multi-dimensional performance appraisal system, ensuring objective and fair evaluation results; the annual self-appraisal content of the Board of Supervisors was added to strengthen self-supervision; senior management was included in the annual performance appraisal to further deepen the performance supervision and appraisal.

Second, strengthened financial management supervision. In 2020, the Board of Supervisors considered and approved the periodic reports for four times with 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 the annual business plans and financial budget plans, the annual profit distribution plan,

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reported the quarterly and semiannually operation and management condition in a timely manner, and paid timely attention to the accounting policy changes, continuously promoted the financial standardized operation of the Company and advised on the operation and development of the Bank. The Board of Supervisors carefully debriefed the reports from the auditors on the 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 focus of the Board of Supervisors, the Board of Supervisors advised and made suggestions to the auditors, supervised the independence and effectiveness of the audit work of auditors, and played a positive role in strengthening the financial management of the Company.

Third, strengthened risk and internal control management and supervision. In 2020, the Board of Supervisors reviewed the annual internal control evaluation report and internal control audit report, and heard the annual and semi-annual risk management reports, the annual internal control compliance and case prevention management work report, the annual regulatory notification and the rectification status and other special reports of the Company, further strengthened the supervision of comprehensive risk management and internal control system construction, organizational structure, etc. The Company regularly communicated with risk, auditing, legal compliance and other departments on comprehensive risk management, key risk status of each category, internal control system construction, regulatory inspections, etc., conducted risk warnings in a timely manner, and supervised relevant departments to strengthen risk control in key areas, and effectively improved overall risk management capabilities. At the same time, in the process of investigation and research, we have strengthened the supervision of risk management and internal control compliance of branches and subbranches. We require branches and subbranches to adhere to the bottom line, strictly observe the risk line and the compliance red line, and ensure the operation in compliance with laws and regulations, and the healthy and stable development.

Fourth, continued to follow up on strategic supervision. In 2020, the Board of Supervisors focused on the scientificity, rationality and effectiveness of the strategy formulation and implementation process. By attending the meetings of the Board of Directors and meetings of Strategy Committee, it heard the report on the implementation of the strategy in 2019 and the report on the re-examination and optimization of the strategy. It went deep into the branches and subbranches to understand the overall progress, status and effect of the strategy implementation, as well as the existing problems, and promptly put forward targeted suggestions and opinions, and urged the branches to maintain strategic determination. It supervised the branches to maintain strategic determination, grasped the benchmarking of the industry, and did a good job in the future development plans.

Fifth, actively carried out research work. According to the annual research plan and the requirements for coordinating the prevention and control of the epidemic, in 2020, the research team of the Board of Supervisors visited branches in Shijiazhuang and Zhengzhou and secondary branches and business outlets thereunder. It conducted surveys on the business development, real economy services, strategy implementation, risk and internal control management and others of the branches, effectively promoted the organic combination of work research and inspection and supervision, understood the difficulties and problems encountered by the branches in the business development. Combined with the focuses of the regulatory authorities, it put forward practical opinions and suggestions, which further enhanced the work value of the Board of Supervisors.

(III) Strengthened the self-construction of the Board of Supervisors and improved the overall supervision level

First, continuously improved the construction of the system of the Board of Supervisors. In 2020, the Board of Supervisors insisted on system first, and actively strengthened the construction of the supervision system to ensure that the supervision is supportable and has clear procedure and orderly coordination. In accordance with regulatory requirements and actual work needs, the Board of Supervisors revised the working rules of the special committees. The amendments included the improvement of the responsibilities of the special committees; putting forward relevant requirements on the professional knowledge, work experience and confidentiality obligations of committee members; the improvement of the relevant regulations on the supplement and replacement of committee members; and the further optimization of the rules of procedure for the special committees of the Board of Supervisors. Besides, it has conducted a comprehensive and systematic review of the supervision and evaluation system, and formulated the Measures for the Supervision and Evaluation of the Performance of the Board of Directors by the Board of Supervisors, the Measures for the Supervision and Evaluation of the Performance of the Directors by the Board of Supervisors, and the Measures for the Supervision and Evaluation of the Performance of Senior Management by the Board of Supervisors, the Measures for the Supervision and Evaluation of the Performance of Senior Management Personnel by the Board of Supervisors, the Measures for the Self-evaluation and Self-supervision of the Performance of the Board of Supervisors, the Measures for the Supervision and Evaluation of the Performance of the Supervisors by the Board of Supervisors. It further clarified the specific content, elements, methods, procedures and results application of the performance supervision and evaluation, and formed the supervisory system of the Board of Supervisors with the performance evaluation system as the core.

Second, continuously improved the supervisors' ability to perform their duties. In 2020, the Board of Supervisors organized supervisors to participate in the special training for supervisors organized by Everbright Group. Focusing on the "Comprehensive Risk Management and Challenges of Financial Control Enterprises" and "China's Macroeconomics and the Fourteenth Five-Year Plan", the Board of Supervisors studied the spirit of the Fifth Plenary Session of the 19th Central Committee, made a deep understanding of the new situation and new challenges faced by the enterprise's comprehensive risk management, and had a deep understanding of "new achievements, new situations, goals, directions and new patterns". Some supervisors also participated in the online special study of the "Opinions of the State Council on Further Improving the Quality of Listed Companies" of the Association of Listed Companies to learn about the latest policies and regulatory developments, broaden their supervision horizons and improve their supervision standards.

Third, paid close attention to the implementation of rectification and reform. In 2020, the Company underwent a number of inspections from CBIRC and other regulators. Those inspections pointed out the Company's problems in corporate governance. The Board of Supervisors also took this as an opportunity to sort out the related work in a comprehensive manner, checked for deficiencies, and made inspections and rectifications. The situation was reported to all Supervisors in a timely manner, laid a good foundation for the Board of Supervisors to further regulate the operation.

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Fourth, promoted the standardized operation of the Board of Supervisors within the system. In 2020, while doing its own work, the Board of Supervisors also actively coordinated the system of the Board of Supervisors of the subsidiaries. A symposium on the chairman of the Board of Supervisors of the subsidiaries of Everbright Bank was organized for the first time to learn more about the construction of the Board of Supervisors of Everbright Financial Leasing, Everbright Wealth Management Company and Sunshine Consumer Finance Company, conduct thorough discussion on the work of the Board of Supervisors, and put forward relevant recommendations for the future work of the Company, which further deepens the communication between the Bank and the Board of Supervisors of its subsidiaries, and helps promote the common progress of the construction of the Board of Supervisors of the Bank and its subsidiaries and the progress of corporate governance.

II. PERFORMANCE SUPERVISION ASSESSMENT OPINIONS ON THE BOARD OF DIRECTORS, THE BOARD OF SUPERVISORS, SENIOR MANAGEMENT AND THEIR MEMBERS FOR THE YEAR 2020

In accordance with regulatory requirements, the Board of Supervisors organized and carried out the performance supervision assessment on the Board of Directors, the Board of Supervisors, senior management and their members for the year 2020. The Board of Supervisors is of the opinion that:

The Board of Directors is able to, in accordance with the laws, regulations, regulatory requirements and provisions of the Articles of Association, diligently do all types of work legally, efficiently implemented the resolutions of the general meetings and the Board of Directors 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. The rules of procedures of the Board of Directors are legal and compliant, and the efficiency and level of decision-making are continuously improved. All Directors are able to earnestly perform their duties of loyalty and diligence, truthfully inform the Company of their own jobs, part-time jobs and associations, and perform their avoidance obligations in accordance with relevant regulations. Their attendance of meetings and working hours comply with regulatory requirements. All Directors are able to continue to understand and analyze the operation of the Company, make independent, objective and professional judgments on the Company's affairs, and put forward opinions and suggestions. After consideration by the Board of Supervisors, the performance assessment results of all Directors in 2020 are **"competent"**.

The Board of Supervisors is able to, in accordance with the laws, regulations, regulatory requirements and provisions of the Articles of Association, convene high-quality meetings of the Board of Supervisors, continue to deepen the performance supervision, strengthen the supervision on financial, strategic, risk and internal control management, broaden the scope of supervision, conduct in-depth investigation and research, and effectively perform supervisory duties, playing an active role in promoting the Company to further improve corporate governance and achieve steady and sustainable development. All Supervisors are able to actively perform their duties of loyalty and diligence, perform their supervisory duties professionally and efficiently, and actively participate in training and research. Their attendance of meetings and working hours comply with regulatory requirements. After consideration by the Board of Supervisors, the performance assessment results of all Supervisors in 2020 are **"competent"**.

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The senior management is able to, in accordance with the laws, regulations, regulatory requirements and provisions of the Articles of Association, earnestly implement the decision-making and deployment of the general meeting and the Board of Directors, and well complete the annual business plan. Its risk control capabilities have been improved, and internal control management standards have been further improved. The senior management fully performed their duties and fulfilled their responsibilities and played an active role in employee behavior management, money laundering risk management, liquidity risk management, consolidated statements management, case prevention and control, stress testing, data governance, related party transaction management, information disclosure and consumer rights protection, etc. All members of senior management are able to uphold the principle of good faith, actively fulfill their loyalty obligations to the Company and all shareholders, earnestly follow the Articles of Association and the authorization of the Board, and implement the resolutions of the general meeting, the Board of Directors and the Board of Supervisors. They are able to perform their duties diligently to ensure that the Company's operations are consistent with the development strategy, risk appetite and other policies formulated and approved by the Board of Directors, and continue to improve the Company's operational management, risk management and internal control. After consideration by the Board of Supervisors, the performance assessment results of all members of senior management in 2020 are “**competent**”.

III. INDEPENDENT OPINIONS ON RELEVANT MATTERS

(I) Lawfulness of business operation

In 2020, 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 LLP/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 the 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) Acquisition and sale of assets of the Company

In 2020, 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 Company.

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(IV) Related party transactions

In 2020, 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.

(V) 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 2020. 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.

(VI) Internal control

The Board of Supervisors considered the 2020 Internal Control Assessment Report of China Everbright Bank Company Limited and had no objection to the contents of the report.

(VII) Profit distribution plan

The Board of Supervisors considered the Profit Distribution Plan of China Everbright Bank Company Limited for the Year 2020 and had no objection to the contents of the proposal.

In 2021, guided by Xi Jinping's socialist ideology with Chinese characteristics in the new era, the Board of Supervisors will thoroughly implement the spirit of the Fifth Plenary Session of the 19th CPC Central Committee and the spirit of the central economic work conference. Based on new development stage, the Board of Supervisors will implement new development concept, serve new development pattern, insist on pursuing progress while ensuring stability, focus on management improvement, and help "a first-class wealth management bank" to reach a new level.