
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)

**ELECTION OF NON-EXECUTIVE DIRECTOR
2021 WORK REPORT OF THE BOARD OF DIRECTORS
2021 WORK REPORT OF THE BOARD OF SUPERVISORS
BUDGET PLAN OF FIXED ASSET INVESTMENT FOR THE YEAR 2022
AUDITED ACCOUNTS REPORT FOR THE YEAR 2021
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2021
APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2022
REMUNERATION OF THE DIRECTORS FOR THE YEAR 2021
REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2021**

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 Thursday, 19 May 2022 at 9:30 a.m., together with the relevant reply slip and proxy form, have been sent to the Shareholders on Friday, 1 April 2022.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the relevant proxy form in accordance with the instructions printed thereon. For holder of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited in person or by post not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 9:30 a.m. on Wednesday, 18 May 2022) 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.

28 April 2022

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

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
1. INTRODUCTION	4
2. RESOLUTION IN RELATION TO THE ELECTION OF NON-EXECUTIVE DIRECTOR	4
3. 2021 WORK REPORT OF THE BOARD OF DIRECTORS	5
4. 2021 WORK REPORT OF THE BOARD OF SUPERVISORS	5
5. BUDGET PLAN OF FIXED ASSET INVESTMENT FOR THE YEAR 2022	5
6. AUDITED ACCOUNTS REPORT FOR THE YEAR 2021	5
7. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2021	9
8. APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2022	10
9. REMUNERATION OF THE DIRECTORS FOR THE YEAR 2021	11
10. REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2021	12
11. THE AGM	13
12. CLOSURE OF REGISTER OF MEMBERS FOR THE AGM	13
13. CLOSURE OF REGISTER OF MEMBERS FOR DISTRIBUTION OF 2021 FINAL DIVIDEND	14
14. RECOMMENDATIONS	14
APPENDIX I – 2021 WORK REPORT OF THE BOARD OF DIRECTORS	15
APPENDIX II – 2021 WORK REPORT OF THE BOARD OF SUPERVISORS	23

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 2021 of the Company to be held at the conference room of 3rd Floor, Tower A, China Everbright Center, No. 25 Taipingqiao Avenue, Xicheng District, Beijing, the PRC on Thursday, 19 May 2022 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
“Company Law”	the Company Law of the People's Republic of China
“Supervisor(s)”	supervisor(s) of the Company
“Securities Law”	the Securities Law of the People's Republic of China
“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

DEFINITIONS

“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“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)

Executive Directors:

Mr. FU Wanjun
Mr. QU Liang

Non-executive Directors:

Mr. WU Lijun
Mr. YAO Zhongyou
Mr. YAO Wei
Mr. LIU Chong
Mr. LI Wei

Independent Non-executive Directors:

Mr. WANG Liguo
Mr. SHAO Ruiqing
Mr. HONG Yongmiao
Mr. LI Yinquan
Mr. HAN Fuling
Mr. LIU Shiping

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

28 April 2022

To the Shareholders

Dear Sir or Madam,

**ELECTION OF NON-EXECUTIVE DIRECTOR
2021 WORK REPORT OF THE BOARD OF DIRECTORS
2021 WORK REPORT OF THE BOARD OF SUPERVISORS
BUDGET PLAN OF FIXED ASSET INVESTMENT FOR THE YEAR 2022
AUDITED ACCOUNTS REPORT FOR THE YEAR 2021
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2021
APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2022
REMUNERATION OF THE DIRECTORS FOR THE YEAR 2021
REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2021**

LETTER FROM THE BOARD

1. INTRODUCTION

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

2. RESOLUTION IN RELATION TO THE ELECTION OF NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 25 March 2022 in relation to the proposed appointment of a non-executive Director.

Mr. Wang Jiang has been nominated as the candidate for the position of the non-executive Director of the eighth session of the Board of the Company. His appointment is subject to the consideration and approval by the Shareholders' general meeting of the Company, as well as the approval by the CBIRC. The term of office will come to effect on the date when the approval of the CBIRC is obtained.

The biographical details of Mr. Wang Jiang are set out below:

Mr. Wang Jiang, aged 58, has been the secretary of the CPC Committee of the Company since March 2022. He is currently the secretary of the CPC Committee and chairman of China Everbright Group Ltd. He also serves as the honorary president of the Party School of China Everbright Group Ltd. and the chairman of China Everbright Holdings Company Limited. Mr. Wang Jiang has served various positions in China Construction Bank, including deputy director of credit risk management department of Shandong Branch; president of Shandong Dezhou Branch; deputy secretary of the CPC Committee and vice president of Shandong Branch; secretary of the CPC Committee and president of Hubei Branch; and secretary of the CPC Committee and president of Shanghai Branch. Mr. Wang Jiang also has served as member of the CPC Committee and vice president in Bank of Communications; Deputy Governor of Jiangsu Province; deputy secretary of the CPC Committee, vice chairman and president of Bank of China; deputy secretary of the CPC Committee, vice chairman and president of China Construction Bank. Mr. Wang Jiang obtained a doctorate degree in economics and is a delegate to the 13th National People's Congress.

Save as disclosed in the biographical details above, Mr. Wang Jiang has not held directorships in any other listed companies in the past three years, does not have any relationships with other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company, and he is not interested in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In accordance with the Articles of Association, the term of a Director is three years, and the Director is eligible for re-election upon expiry of the term. Mr. Wang Jiang will not receive Director's remuneration.

Save as disclosed in this circular, there are no other matters that need to be brought to the attention of the Shareholders or there is no other information to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

LETTER FROM THE BOARD

3. 2021 WORK REPORT OF THE BOARD OF DIRECTORS

The full text of the 2021 Work Report of the Board of Directors is set out in Appendix I to this circular.

4. 2021 WORK REPORT OF THE BOARD OF SUPERVISORS

The full text of the 2021 Work Report of the Board of Supervisors is set out in Appendix II to this circular.

5. BUDGET PLAN OF FIXED ASSET INVESTMENT FOR THE YEAR 2022

In order to completely, accurately and comprehensively implement new development concept and build new development pattern, strive to achieve the goal of “leap development plan”, and promote the “first-class wealth management bank” to a new level, considering the external economic situation, policy environment and market competition pattern, in 2022, in terms of fixed asset investment, the Company will focus on strengthening technology empowerment, deepening and penetrating scenario finance, strengthening channel construction and other fields, increase its investment in information technology and financial technology innovation, and support the cooperation of business projects. We will 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 RMB7.95 billion, of which RMB5.374 billion will be used for the construction of operation premises, RMB1.633 billion will be invested in information technology, RMB232 million will be invested in channel construction, and RMB711 million will be invested in office equipment upgrade and other investments. Details are as follows:

Unit: RMB100 million

Items	Budget for 2022
Construction of operation premises	53.74
Investment in information technology	16.33
Channel construction	2.32
Office equipment upgrade and other investments	7.11
Total	79.50

6. AUDITED ACCOUNTS REPORT FOR THE YEAR 2021

In 2021, under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era, the Bank has fully implemented the decisions and deployments of the CPC Central Committee and the State Council, bravely undertook the missions of a central enterprise, based ourselves on the needs of the country, gave full play to our capabilities, fully cooperated with the implementation of the national strategy, deepened the service to the real economy, and firmly fulfilled our social responsibilities.

LETTER FROM THE BOARD

Under the strong leadership of the CPC Committee and the strong support of all Shareholders and the Board, the Bank adhered to the general principle of seeking progress while maintaining stability, steadily promoted high-quality development, highlighted the characteristics of wealth management, strengthened technology empowerment and innovation drive, complemented the weak and strengthened the strong, suppressed the old and helped the new, and achieved good operating results: balanced and rapid growth in asset size, improved quality and efficiency of serving the real economy; stable and high revenue growth, continuously optimized income structure, increased contribution from green intermediate income and transactional income, accelerated progress in transformation towards capital-light operation and transaction banking; effectiveness in comprehensive risk management, sustained and stable provision expenses, continuous dual reduction of non-performing indicators, continuously enhanced asset quality; fast increasing profits, continuously improved profitability indicators, enhanced capital endogenous vitality and significantly improved Shareholder returns.

I. Assets and Liabilities

Unit: RMB100 million

	As at the end of 2021	As at the end of 2020	Increase	Growth rate
Assets	59,020.69	53,681.63	5,339.06	9.95%
Including: loans	33,073.04	30,094.82	2,978.22	9.90%
Debt	54,177.03	49,131.23	5,045.80	10.27%
Including: general deposits	36,757.43	34,806.42	1,951.01	5.61%
Owners' equity	4,843.66	4,550.40	293.26	6.44%

As at the end of 2021, the total assets of the Bank were RMB5,902.069 billion, an increase of RMB533.906 billion or 9.95% over the end of the previous year. Among them, the balance of loans was RMB3,307.304 billion, an increase of RMB297.822 billion or 9.90% over the end of the previous year.

As at the end of 2021, the total liabilities of the Bank amounted to RMB5,417.703 billion, an increase of RMB504.580 billion or 10.27% over the end of the previous year. Among them, the balance of general deposits was RMB3,675.743 billion, an increase of RMB195.101 billion or 5.61% over the end of the previous year. The balance of owners' equity of the Bank was RMB484.366 billion, an increase of RMB29.326 billion or 6.44% over the end of the previous year.

LETTER FROM THE BOARD

II. Financial Balance

Unit: RMB100 million

	2021	2020	Increase	Growth rate
Operating income	1,527.51	1,425.72	101.79	7.14%
Including: net interest income	1,121.55	1,106.97	14.58	1.32%
net fee and commission income	273.14	244.09	29.05	11.90%
Operating expenses	1,001.12	968.56	32.56	3.36%
Including: operating fees	428.05	376.51	51.54	13.69%
Provision expenses	547.95	569.32	-21.37	-3.75%
Operating profit	526.39	457.16	69.23	15.14%
Net profit	436.39	379.28	57.11	15.06%

In 2021, the operating income of the Bank was RMB152.751 billion, representing an increase of RMB10.179 billion or 7.14% as compared to the previous year. Among them, the net interest income was RMB112.155 billion, representing an increase of RMB1.458 billion or 1.32% as compared to the previous year. The net fee and commission income was RMB27.314 billion, representing an increase of RMB2.905 billion or 11.90% as compared to the previous year.

In 2021, the operating expenses of the Bank were RMB100.112 billion, representing an increase of RMB3.256 billion or 3.36% as compared to the previous year. Among them, the operating fees were RMB42.805 billion, representing an increase of RMB5.154 billion or 13.69% as compared to the previous year. The cost-income ratio was 28.02%, representing an increase of 1.61 percentage points as compared with the previous year. The provision charges were RMB54.795 billion, representing a decrease of RMB2.137 billion or 3.75% as compared to the previous year.

In 2021, the operating profit of the Bank was RMB52.639 billion, representing an increase of RMB6.923 billion or 15.14% as compared to the previous year. The net profit was RMB43.639 billion, representing an increase of RMB5.711 million or 15.06% as compared to the previous year. The average return on total assets was 0.77%, representing an increase of 0.02 percentage point as compared to the previous year. The average return on net assets was 10.64%, representing a decrease of 0.08 percentage point as compared with the previous year.

LETTER FROM THE BOARD

III. Asset Quality

Unit: RMB100 million

	As at the end of 2021	As at the end of 2020	Change
Non-performing loan	413.66	416.66	-3.00
Non-performing loan ratio	1.25%	1.38%	-0.13%
Balance of loan impairment provision	773.63	761.27	12.36
Provision-to-loan ratio	2.34%	2.53%	-0.19%
Provision coverage ratio	187.02%	182.71%	4.31%

As at the end of 2021, the Bank's non-performing loans amounted to RMB41.366 billion, representing a decrease of RMB300 million as compared with the end of the previous year. Non-performing loan ratio was 1.25%, representing a decrease of 0.13 percentage point as compared with the end of the previous year.

As at the end of 2021, the balance of loan impairment provision of the Bank was RMB77.363 billion, representing an increase of RMB1.236 billion as compared to the end of the previous year. The provision-to-loan ratio was 2.34%, representing a decrease of 0.19 percentage point as compared with the end of the previous year. The provision coverage ratio was 187.02%, representing an increase of 4.31 percentage points as compared with the end of the previous year.

IV. Capital Adequacy

Unit: RMB

	As at the end of 2021	As at the end of 2020	Change
Net assets per share	6.99	6.45	0.54
Core tier-1 capital adequacy ratio	8.91%	9.02%	-0.11%
Tier-1 capital adequacy ratio	11.41%	11.75%	-0.34%
Capital adequacy ratio	13.37%	13.90%	-0.53%

As at the end of 2021, the net assets per share of the Bank were RMB6.99, representing an increase of RMB0.54 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)), was 8.91%, representing a decrease of 0.11 percentage point as compared to the end of previous year; the tier-1 capital adequacy ratio was 11.41%, representing a decrease of 0.34 percentage point as compared to the end of previous year; the capital adequacy ratio was 13.37%, representing a decrease of 0.53 percentage point as compared to the end of previous year, indicating that the capital adequacy ratio indicators remained in compliance with the regulatory requirements.

LETTER FROM THE BOARD

7. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2021

According to the audited financial statements for 2021, the net profit attributable to Shareholders of the Company in the consolidated statements of the Company is RMB43.407 billion. After deducting the dividends of “Everbright P1”, “Everbright P2” and “Everbright P3” in 2021 totaling RMB2.960 billion, and the interest on non-fixed term capital bonds of RMB1.840 billion, the net profit attributable to ordinary Shareholders of the Company in the consolidated statement is RMB38.607 billion, of which the net profit available for distribution to ordinary Shareholders was RMB36.423 billion.

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 Company Law, the Securities Law and the relevant requirements of the Articles of Association, the Company hereby formulates its profit distribution plan for the year 2021 as follows:

1. As of the end of 2021, the accumulative statutory surplus reserves of the Company amounted to RMB26.245 billion, which had reached 50% of the registered capital. According to the relevant provisions of the Company Law, no provision will be made for this profit distribution.
2. According to the relevant provisions of Management Measures for Provision of Reserves by Financial Institutions (金融企業準備金計提管理辦法) promulgated by the Ministry of Finance, a general reserve of RMB6.806 billion was provided at 1.5% balance of risk assets.
3. Cash dividends were distributed to all Shareholders of ordinary Shares at RMB2.01 (before tax) per 10 Shares. Based on the 54.032 billion Shares as of the disclosure date of the 2021 annual report of the Company, the total cash dividends amounted to RMB10.860 billion, accounting for 28.13% of the net profit attributable to ordinary Shareholders of the Bank on consolidation basis. Since the convertible corporate bonds issued by the Company are in the conversion period, if the total share capital changes before the equity registration date for the implementation of equity distribution, the Company will maintain the total amount of cash dividends to be distributed basically unchanged. The latest total share capital will be used as the distribution base, and the distribution amount per Share will be adjusted accordingly, and the specific adjustment 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 People’s Bank of China one week prior to the AGM (inclusive of the date of the AGM).
4. In 2021, 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.

LETTER FROM THE BOARD

Independent opinions of the independent non-executive Directors of the Company: the profit distribution plan for the year 2021 proposed by the Company complies with relevant provisions of the Guidelines for the Supervision of Listed Companies No. 3 - Cash Dividends of Listed Companies (Revision in 2022) of the China Securities Regulatory Commission, the Guidelines for the Self-discipline Supervision of Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation and the Articles of Association, and meets the actual situation and the needs of sustainable and steady development of the Company. There is no circumstance that damages the interests of all Shareholders, including minority Shareholders. The independent non-executive Directors of the Company have approved the plan.

8. APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2022

In 2021, Ernst & Young Hua Ming LLP and Ernst & Young (both collectively referred to as “Ernst & Young”) continued to serve as the external auditors of the Company, and carried out work from two aspects of financial statement audit and internal control audit.

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 2021 in 3 aspects of plans and proposals, implementation of audit work and audit reports and 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 2021 and the consideration of the continuity of external audit work, we proposed to re-appoint Ernst & Young Hua Ming LLP as the domestic auditor of the Company and re-appoint Ernst & Young as the overseas auditor of the Company to be responsible for the audit work for the year 2022 of the Company.

The proposed audit fee of 2022 is RMB9.90 million (inclusive of reimbursement and value-added tax), among which the audit fee of financial statements is RMB9.00 million, and the audit fee of internal control is RMB0.90 million.

Independent opinion of the independent non-executive Directors of the Company: Ernst & Young possess professional competency, protection ability of investors, independence and good integrity, and has the experience and the capacity to provide audit services for listed companies over the years, and are able to satisfy the Company’s relevant domestic and overseas audit services in 2022; the re-appointment of the accounting firms complies with relevant laws and regulations, and the relevant deliberation procedures are in compliance with laws and regulations and the Articles of Association. There were no circumstances prejudicial to the interests of the Company and its Shareholders. The independent non-executive Directors of the Company agreed to the proposal.

LETTER FROM THE BOARD

9. REMUNERATION OF THE DIRECTORS FOR THE YEAR 2021

In accordance with the relevant requirements of the Articles of Association and based on the appointment of Directors and their performance of duties as at the end of 2021, the proposed remuneration of the Directors for the year 2021 is set out below:

Unit: RMB0'000

Name	Position	Remuneration for 2021 (before tax)
Li Xiaopeng	Chairman, Non-executive Director	–
Wu Lijun	Vice Chairman, Non-executive Director	–
Fu Wanjun	Executive Director	–
Yao Zhongyou	Non-executive Director	–
Qu Liang	Executive Director	–
Yao Wei	Non-executive Director	–
Liu Chong	Non-executive Director	–
Li Wei	Non-executive Director	–
Xu Hongcai	Independent non-executive Director	43.00
Wang Liguo	Independent non-executive Director	42.00
Shao Ruiqing	Independent non-executive Director	43.00
Hong Yongmiao	Independent non-executive Director	43.00
Li Yinquan	Independent non-executive Director	43.00
Han Fuling	Independent non-executive Director	24.50
 Resigned Director:		
Liu Jin	Former Executive Director and President	–
Lu Hong	Former Executive Director and Vice President	–
Yu Chunling	Former Non-executive Director	–
Feng Lun	Former Independent non-executive Director	15.00

Notes: 1. The Chairman, Vice Chairman and Non-executive Directors do not receive remuneration from the Company. The remuneration of Mr. Fu Wanjun and Mr. Qu Liang, both the executive Directors, and Mr. Liu Jin and Mr. Lu Hong, both former executive Directors, is determined with reference to the remuneration standards of senior management. The remuneration of senior management is subject to the approval from the Board. The independent non-executive Directors receive remuneration from the Company.

2. 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.

3. As at the end of 2021, each of Mr. Xu Hongcai, Mr. Hong Yongmiao, Mr. Shao Ruiqing and Mr. Li Yinquan, the independent non-executive Directors, served as the chairman of a special committee and the member of 3 special committees of the Company; Mr. Wang Liguo and Mr. Han Fuling, the independent non-executive Directors, served as the member of 4 special committees of the Company respectively.

LETTER FROM THE BOARD

4. In 2021, due to work adjustment, Mr. Lu Hong, Mr. Liu Jin and Ms. Yu Chunling resigned as Directors of the Company on 2 March, 16 March and 10 May respectively. The remuneration of the new independent non-executive Director Mr. Han Fulin and resigned independent non-executive Director Mr. Feng Lun was calculated according to their actual term of office.

Independent opinions of independent non-executive Directors: According to the relevant provisions of the Company Law and the Articles of Association, the independent non-executive directors of the Company made judgments from an objective and independent point of view and agreed to the proposal.

10. REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2021

In accordance with the relevant requirements of the Articles of Association, and based on the appointment of Supervisors and their performance of duties as at the end of 2021, the proposed remuneration of the Supervisors for the year 2021 are set out below:

Unit: RMB0'000

Name	Position	Remuneration for 2021 (before tax)
Lu Hong	Chairman of the Board of Supervisors, Shareholder Representative Supervisor	–
Wu Junhao	Shareholder Representative Supervisor	–
Li Yinzhong	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	–
Yin Lianchen	Former Shareholder Representative Supervisor	–

- Notes:*
1. Shareholder Representative Supervisors (except chairman of the Board of Supervisors) do not receive remuneration from the Company.
 2. According to the relevant regulations, the remuneration of Mr. Lu Hong and Mr. Li Xin for 2021 is determined with reference to the remuneration standards of the senior management of the Company. Their final remuneration is in the process of confirmation and will be disclosed once confirmed.
 3. The Employee Supervisor received post salary in the capacity as an employee, but did not receive any remuneration in his/her capacity as an Employee Supervisor.

LETTER FROM THE BOARD

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 2021, Mr. Qiao Zhimin, the external Supervisor, served as the chairman of 1 special committee and the member of 1 special committee; Mr. Wang Zhe, the external Supervisor, served as the member of 2 special committees of the Company; and Mr. Wu Gaolian, the external Supervisor, did not receive any remuneration from the Company in accordance with relevant regulations of competent authorities of the PRC.
6. In 2021, Mr. Li Xin resigned the position of the chairman of the Board of Supervisors and the Shareholder Supervisor of the Company due to retirement on 19 January, and Mr. Yin Lianchen resigned the position of the Shareholder Supervisor of the Company due to work adjustment on 29 September.

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 Thursday, 19 May 2022 at 9:30 a.m. The AGM notice and relevant proxy form and reply slip for the AGM were dispatched to Shareholders on Friday, 1 April 2022.

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 Tuesday, 19 April 2022 to Thursday, 19 May 2022 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong on Thursday, 19 May 2022 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 Thursday, 14 April 2022.

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 Thursday, 28 April 2022. Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time designated (i.e. not later than 9:30 a.m. on Wednesday, 18 May 2022) 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 2021 FINAL DIVIDEND

In order to determine the Shareholders of H Shares entitled to receive the final dividend for the year ended 31 December 2021, the Company will suspend registration of transfer of Shares from Wednesday, 25 May 2022 to Monday, 30 May 2022 (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 Tuesday, 24 May 2022. Holders of H Shares whose names are recorded in the register of members of the Company on Monday, 30 May 2022 are entitled to receive the final dividend for the year 2021.

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.

**The Board of Directors of
China Everbright Bank Company Limited**

As at the date of this circular, the Executive Directors of the Company are Mr. Fu Wanjun and Mr. Qu Liang; the Non-executive Directors are Mr. Wu Lijun, Mr. Yao Zhongyou, Mr. Yao Wei, Mr. Liu Chong and Mr. Li Wei; and the Independent Non-executive Directors are Mr. Wang Liguo, Mr. Shao Ruiqing, Mr. Hong Yongmiao, Mr. Li Yinquan, Mr. Han Fuling and Mr. Liu Shiping.

**CHINA EVERBRIGHT BANK COMPANY LIMITED
2021 WORK REPORT OF THE BOARD OF DIRECTORS**

2021 is a landmark year in the history of the CPC Party and the PRC. The CPC Party and the people of the whole country solemnly celebrated the centenary of the founding of the Communist Party of China, achieved the first centenary goal, started a new journey towards the second centenary goal, and achieved a good start to the “14th Five-Year Plan”. The Board resolutely implemented the decisions and arrangements of the Party Central Committee and the State Council, organically unified the strengthening of the Party’s leadership and the improvement of corporate governance, adhered to the general requirements of “seeking progress while maintaining stability”, actively served the national strategy and the real economy, and maintained the strategic determination, strengthened technology empowerment, strengthened risk management, adhered to compliant operation, improved governance mechanism, strengthened shareholder equity, related party transaction management, and compliant disclosure of information. On the basis of the “three-year progress”, we have promoted the implementation of the “leapfrog plan”, and we have made new achievements in strengthening the weak and strengthening the strong, while suppressing the old and helping the new. In the evaluation of the corporate governance of banking and insurance institutions in 2021 by China Banking and Insurance Regulatory Commission, the Company won the highest grade (B-level) of commercial banks this year. In the “Corporate Governance Capability” evaluated by the China Banking Association’s “Gyro” of commercial banks in 2021, the Company ranked first among joint-stock commercial banks and third among national commercial banks. In the annual assessment and evaluation of the information disclosure of listed companies by the Shanghai Stock Exchange, the Company continued to maintain the “A” level; and in the selection of the “2021 China Financial Institution Gold Medal List • Golden Dragon Award” by the Financial Times, the Company won the “Best Shareholding System of the Year” Bank” award.

I. IMPLEMENTED THE CENTRAL DECISION-MAKING, SERVED THE NATIONAL STRATEGY AND THE DEVELOPMENT OF THE REAL ECONOMY

The Board resolutely implemented the central decision-making, fulfilled the responsibility of the financial national team, and fully supported the management to serve the national strategy and the development of the real economy.

(I) Served National Strategy

The Board has supported the management to actively carry out key projects such as urban function optimization, industrial transfer and upgrading, ecological environmental protection, and railways and highways, information technology, heating and gas supply, and characteristic industries in key national strategic areas. As of the end of 2021, the balance of loans to major national strategic regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area increased by 12% from the beginning of the year. We have actively implemented the national initiative of “One Belt, One Road” and continued to promote internationalization: the Tokyo Representative Office was successfully launched; the Macau branch was stepping up preparations; the Abu Dhabi International Financial Center branch application was progressing in an orderly manner.

(II) Helped Real Economy

The Board actively implemented the national policy and pushed the management to increase efforts to support the real economy. We set a separate special loan quota for advanced manufacturing industries and offered preferential pricing; we adhere to the “Four equal treatments”¹, and implemented the service commitment of “caring for the financial mission and feeling for private enterprises”; implementing the “three zeros and three modernizations”² of inclusive finance, implemented FTP reduction and exemption, renewed the loan without repayment, and improved the coverage, availability and satisfaction of inclusive services. As of the end of 2021, the balance of medium and long-term loans in the manufacturing industry has increased by 46% compared with the beginning of the year; the balance of loans to private enterprises has increased by 5.59% compared with the beginning of the year; the balance of inclusive loans has increased by 26.72% compared with the beginning of the year, and the weighted average interest rate of newly issued inclusive loans has dropped by 36BPs.

(III) Courageously Assumed Social Responsibility

The Board has closely linked the consolidation of poverty alleviation results with rural revitalization, reviewed and approved proposals such as donating RMB11.50 million to support designated counties in Hunan and establishing a rural revitalization financial department at the head office; issued the “Rural Revitalization Comprehensive Financial Service Plan”, improved the level of rural financial services. In 2021, our inclusive agriculture-related loans increased by 29.25%, and the sales of agricultural products on the e-commerce platform “Everbright Shopping Wonderful (光大购精彩)” reached RMB50.8679 million. Besides, the Board guided the management to implement the “dual carbon” target work plan, optimized the credit policy, supported energy conservation and emission reduction, and the balance of green loans increased by 20% compared with the beginning of the year. In addition, the Board reviewed and approved a donation of RMB10 million to support flood control and disaster relief and post-disaster reconstruction in Henan; regularly listened to reports on the development of consumer rights protection, regulatory notification and self-inspection and rectification, and urged the management to continue to improve the quality of “Sunshine Service”, and did a good job in providing services for key personnel of inclusive finance such as the elderly.

II. MAINTAINED STRATEGIC FOCUS, DEEPENED INSTITUTIONAL REFORM, AND PROMOTED HIGH-QUALITY DEVELOPMENT

The Board maintained its strategic focus, paid attention to strategy implementation, continued to deepen the reform of the organizational structure and management system, and highlighted value creation and high-quality development.

¹ “Four equal treatments”: Equal treatment of credit policies without raising the entry threshold; Equal treatment of service efficiency without indecision; Equal treatment of incentives and constraints without favouritism; Equal treatment of product innovation without looking left and right.

² “Three zeros and three modernizations”: Develop more products with no collateral, no contact, and no deposit-loan linked products, and promoted flexibility, intelligence, and platformization.

(I) Maintained strategic focus

The Board connected with the national “14th Five-Year Plan”, guided the management to formulate a rolling strategic plan for 2021-2025, and implemented the “leapfrog plan” around the second-stage development goal. The Bank entered a new development stage of “going to a new level”, and further promoted the construction of “first-class wealth management bank”. The Board regularly listened to reports on the management’s operations and strategy implementation, and reviewed and approved the 2021-2025 capital plans. The Directors put forward relevant opinions and requirements on major issues such as strategic transformation, capital replenishment, and green finance.

(II) Deepened the reform of the system

The Board of Directors earnestly studied and promoted the implementation of the strategic transformation, reviewed and approved the establishment of the retail credit department and other proposals, straightened out the organizational structure and functions of the Company’s financial sector department, further optimized our internal organizational structure, and strengthened the construction of a wealth management bank. In 2021, the Company focused on improving retail credit and agency sales capabilities, clarified the requirements for deposits to be “excellent in both volume and price”, and achieved new results in five aspects: profitability, business scale, wealth management characteristics, customer base and risk control.

(III) Promoted high-quality development

The Board guided the management to highlight value creation and high-quality development, and achieved steady growth in business scale, significant optimization of income structure, and continuous improvement in operating efficiency. A number of indicators have achieved new leaps, and the overall operation has shown a healthy momentum and made progress while ensuring stability. As of the end of 2021, the Company’s total assets were RMB5,902.069 billion, an increase of 9.95% over the end of the previous year; total liabilities were RMB5,417.703 billion, an increase of 10.27% over the end of the previous year. In 2021, the Company achieved operating income of RMB152.751 billion, an increase of 7.14% over the previous year; the net profit attributable to Shareholders of the Company was RMB43.407 billion, an increase of 14.73% over the previous year. In 2021, the Company continued to be at the forefront of the national joint-stock banking regulatory rating by CBIRC.

III. DEEPENED FINANCIAL TECHNOLOGY REFORM, STRENGTHENED TECHNOLOGY EMPOWERMENT, AND PROMOTED DIGITAL TRANSFORMATION

Focusing on the digital development direction of “agility, technology, ecology”, the Board pushed the management to further promote the construction of “Digital Everbright”.

(I) Deepened financial technology reform

The Board heard the annual information technology work report, supported the management to further improve the technology governance system, optimized the technology organizational structure, deepened the integration of business and technology, and improved the output efficiency of technology investment. In 2021, the Bank explored the technology deployment model in the corporate finance sector, retail finance sector and digital finance department to improve technology business integration capabilities and technology response speed. As of the end of 2021, the Bank's investment in technology accounted for 3.79% of the operating income, and the number of scientific and technological personnel accounted for 5.11% of the number of employees of the Bank, representing an increase of 0.18% and 0.87% over the previous year respectively.

(II) Strengthened technology empowerment

Through technology empowerment, the Board helped innovation and development and performance improvement. The CEB Mobile Banking with the core concept of "accompanying smart wealth management service" has been upgraded to 9.0, which has become an important fulcrum for leveraging the construction of "great wealth" ecosystem of Everbright. During the year, the CEB Cloud Fee Payment served 565 million active users, with the payment amount exceeding RMB500 billion and the number of direct customers exceeding 100 million. In 2021, the number of accumulated users of three APPs including CEB Mobile Banking, CEB Cloud Fee Payment and CEB Sunshine Life was 199 million, representing a year-on-year increase of 50.34%, of which the number of monthly active customers was 51.16 million, representing a year-on-year increase of 32.97%.

(III) Scenario finance construction opened up a new ecology

Scenario finance is an important battlefield for digital transformation. In 2021, the Company coordinated the construction of digital scenario operation system and established a scenario network pilot mechanism. The transaction volume of famous financial products in scenarios such as Logistics Express, e-custody, and Guang Fu Tong increased rapidly, and emerging scenarios such as Catering Express advanced steadily.

IV. STRENGTHENED RISK MANAGEMENT, ADHERED TO COMPLIANT OPERATION, AND IMPROVED ASSET QUALITY

The Board paid close attention to the risks, urged the management to continuously strengthen risk management, adhered to compliant operation, resolved existing risks, strictly controlled new risks, and continuously improved asset quality.

(I) Strengthened risk management

The Board considered and approved the proposals on risk appetite implementation, risk appetite setting and interim review, regularly heard risk management reports, revised the reputation risk management measures, institutional money laundering risk assessment management measures, money laundering risk management policies, liquidity risk and banking book interest rate risk related systems, reviewed the capital adequacy ratio and internal capital adequacy assessment and other

reports. The Risk Management Committee of the Board heard the credit and investment policies, interim review, liquidity risk management and other reports. At the same time, the Board guided the management to continue to deepen the reform of risk management system, piloted the risk-embedded management model in the retail credit department and credit card center to improve the level of risk management and control; strengthened risk management and control in key areas, prevented hidden debt risks of local governments, and strengthened the management of platform projects.

(II) Adhered to compliant operation

The Board and the Risk Management Committee considered and approved the sanctions compliance management policy, heard the on-site inspection opinions on risk management and internal control effectiveness of CBIRC, and reports on rectification and accountability, internal control compliance and case prevention management. The Risk Management Committee of the Board also heard the anti-money laundering work and other reports. The Board continued to promote the full coverage of first-class audit supervision, carried out unannounced inspections of internal control, comprehensively and in-depth rectified problems found in audits and regulatory inspections, and curbed occurrence of major risk events.

(III) Improved asset quality

The Board urged the management to effectively implement overall management of asset quality, orderly resolved existing risks, and continued to maintain good quality of new credit. Risks from large customers were handled prudently, and the stock assets of wealth management were reduced as scheduled. The cumulative amount and generation rate of non-performing loans of new corporate credit were far lower than the historical average. The Board steadily carried out the collection and disposal of special assets, and successfully completed the supervision and disposal tasks. As of the end of 2021, the balance of non-performing loans of the Bank amounted to RMB41.366 billion, representing a decrease of 0.72% as compared with the end of the previous year; non-performing loan ratio was 1.25%, representing a decrease of 0.13 percentage point as compared with the end of the previous year; the provision coverage ratio was 187.02%, representing an increase of 4.31 percentage points as compared with the end of the previous year.

V. IMPROVED THE GOVERNANCE MECHANISM, STRENGTHENED DIRECTORS' PERFORMANCE OF DUTIES AND IMPLEMENTATION OF RESOLUTIONS

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 have been effectively implemented, realized the steady operation of corporate governance.

(I) Improved governance mechanism

The Company optimized and improved the corporate governance system. The Board considered and approved the amendments to the Information Disclosure Management System and the Inside Information and Insider Management System, and formulated the Code of Conduct for Directors, Supervisors and Senior Management to Release Information; comprehensively sorted out the key points for the performance of the Directors and the Board according to laws, regulations and

regulatory system. The Board and the Nomination Committee prudently implemented the selection process, and increased the number of Directors and senior management in a timely manner. Based on the expertise of the Directors, 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, and the corporate governance mechanism has been further improved.

(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 Shareholders' general meetings, 14 Board meetings, 38 special committee meetings of the Board of Directors, and 1 seminar of the chairman with independent non-executive Directors were held, which effectively ensured the smooth progress of relevant major corporate governance work. The general meeting considered 17 proposals and heard 5 reports; the Board of Directors considered 122 proposals and debriefed 41 reports; the special committees of the Board of Directors considered 101 proposals and debriefed 47 reports. During the inter-sessional period, the Directors obtained timely information needed to perform their duties by reviewing files, participating in communication meetings and annual work meetings. Certain Directors went to Xi'an, Chengdu, Shanghai, Suzhou and other branches and Western, Eastern Audit Centers for comprehensive research; and certain Directors participated in professional training for listed companies under the jurisdiction of Beijing organized by the Association of Listed Companies of Beijing and the continuous trainings for independent non-executive directors organized by the Shanghai Stock Exchange.

(III) Strengthened the implementation of resolutions

In accordance with the resolutions of the general meeting, the Board organized, implemented and completed the work such as dividend distribution, qualification approval of new Directors, donation assistances and targeted poverty alleviation 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 2021, 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.

VI. ENHANCED SHAREHOLDERS' EQUITY AND RELATED PARTY TRANSACTION MANAGEMENT, AND REGULATED THE SHAREHOLDERS' BEHAVIORS

In accordance with the Provisional Measures on Administration of Equities of Commercial Banks, the Measures for the Supervision of the Behavior of Major Shareholders of Banking and Insurance Institutions (Trial) and other regulatory provisions, the Board of Directors continuously enhanced the Shareholders' equity and related party transaction management, further regulated the Shareholders' behaviors.

(I) Enhanced the Shareholders' equity management

The Board of Directors guided the management to continuously implement the Shareholders' equity management. The Company maintained daily communication with substantial Shareholders, conducted monitoring against Shareholders who held more than 1% of equity and analysis for top 200 holders of A Shares monthly, and conducted annual appraisal work for substantial Shareholders and submitted appraisal report to the CBIRC. According to the requirements of the CBIRC, the Company proactively urged the substantial Shareholders to issue undertakings and reported to the CBIRC of the management report of the enhancement of the substantial Shareholders' undertakings.

(II) Enhanced related party transaction management

The Board of Directors and the 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 2021, the Board of Directors reviewed and approved 50 major related party transactions, and the Related Party Transaction Control Committee filed 37 general related party transactions. The Board of Directors conscientiously carried out information collection and system maintenance of related parties, and released the four lists of related legal persons; continuously optimized the related party management system and further improved management level of related parties.

VII. COMPLIANCE INFORMATION DISCLOSURE AND MANAGEMENT OF INVESTORS' RELATIONS

The Board of Directors adhered to the principle of compliance disclosure, further highlighted the characteristics and highlights of businesses, continued to implement the management of investors' relations, and achieved good results. The net P/B ratio of A Shares of the Company continued to remain the fourth among comparable peers, and the valuation level was relatively stable.

(I) Compliance information disclosure

The Board of Directors adhered to the principles of compliance, carried out information disclosure prudently, and successfully completed the preparation and disclosure of the 2020 annual report and the first quarterly report, interim report and third quarterly report of 2021; cumulatively disclosed 110 extraordinary announcements on A share and 103 extraordinary announcements on H share, timely disclosed major issues such as performance bulletins; and also made disclosures of the 2020 annual report, 2021 interim report and related extraordinary announcements in the Japanese market. In the annual report and interim report, the Board of Directors focused on the construction of "first-class wealth management bank", added relevant topics and contents, and highlighted the characteristics and highlights of businesses.

(II) Management of investors' relations

The Board of Directors supported the management to strengthen market communication in combination with strategic vision and operating results, and enhanced investors' recognition of the Company's development strategies and investment logics by holding performance press conferences, management roadshows, theme open days and collective reception days of investors. The Company won the "2021 Harmonious Investor Relations Award" selected by the Securities Times and the "Excellent Practice Case Award of Annual Report and Results Presentation of Listed Companies" selected by the Association of Listed Companies.

2022 is the year of the 20th CPC National Congress and an important year connecting the preceding and the following in the "14th Five-year" plan, which coincides with the 30th anniversary of the establishment 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 19th CPC National Congress, Plenary Sessions of the 19th Central Committee of the Party and the spirit of the Central Economic Work Conference, completely, accurately and comprehensively implement the new development concept, actively support and build the new development layout, persist in "maintaining stability in priority, seeking progress while maintaining stability, and seeking advancement in progress", adhere to the strategic goals of first-class wealth management bank, continuously push ahead the "leapfrog plan", commit to achieve high quality development and continue to create new value for shareholders, stakeholders and society.

**2021 WORK REPORT OF THE BOARD OF SUPERVISORS OF
CHINA EVERBRIGHT BANK COMPANY LIMITED**

In 2021, the Board of Supervisors was guided by Xi Jinping's Thoughts on Socialism with Chinese Characteristics in the New Era, deeply implemented the spirit of the 19th CPC National Congress, Plenary Sessions of the 19th Central Committee of the Party, led by the party committee of the headquarter, proactively performed the supervision function, focused on management improvement, continued to perfect the corporate governance mechanism, enhanced the corporate governance level, and exerted positive role in promoting the achievement of the Company's sustainable and high quality development.

I. MAJOR TASKS OF THE BOARD OF SUPERVISORS**(I) Performed obligations in accordance with laws and regulations, enhanced the supervision function and continued to regulate the operation of the Board of Supervisors**

The Board of Supervisors earnestly performed legal supervision obligations, diligently conducted supervision work and continuously regulated the operation of the Board of Supervisors in accordance with regulatory requirements and provisions of the Articles of Association.

Firstly, conducted meetings of the Board of Supervisors in a disciplined and efficient manner. In combination with the needs of performance, the Board of Supervisors held 7 meetings of the Board of Supervisors during the year, including 5 on-site meetings and 2 meetings in the form of circulating written resolutions, considered and approved 42 proposals, and listened to 47 reported issues. Meetings of the Board of Supervisors were held in accordance with laws and regulations, with standardized procedures, highlighted focus and efficiency, the Supervisors carefully reviewed the proposals, actively expressed their opinions, exercised their voting rights prudently, and ensured that the Board of Supervisors performed its duties in accordance with laws and regulations.

Secondly, enhanced daily supervision in multiple channels. The Board of Supervisors delegated the Supervisors to attend 3 general meetings, and present at 20 meetings of the Board of Directors and its special committees, and the chairman of the Board of Supervisors attended 21 meetings of the office of the president. By attending and being present at the above meetings, the Board of Supervisors supervised the convening procedures of the meetings, the research and decision-making process of major issues, the deliberation process of proposals, and the participation and speeches of Directors and senior management. Combined with the focus of supervision, the Board of Supervisors listened to the work reports of finance, strategy, risk, audit and other departments from time to time, grasped relevant important decisions and daily operation in a timely manner, identified issues and prompted in a timely manner, and constantly enhanced the effectiveness, timeliness and pertinence of supervision.

Thirdly, enhanced the support for performance of special committees under the Board of Supervisors. During the year, the nomination committee under the Board of Supervisors held 5 meetings and the supervision committee held 5 meetings, and a total of 24 proposals were considered and approved. The nomination committee completed the preliminary review of the qualifications and conditions of the candidates for Supervisors, drawn up the remuneration plan for Supervisors, and put forward recommendations to the Board of Supervisors; supervised the election and appointment of

APPENDIX II 2021 WORK REPORT OF THE BOARD OF SUPERVISORS

Directors, remuneration management and remuneration plan of senior management in multiple ways; formulated the implementation plan of annual performance supervision and evaluation, formed evaluation suggestions and submitted them to the Board of Supervisors for consideration. The supervision committee proactively carried out supervision over the Company's financial activities, business decisions, risk management and internal control, understood the preparation and major adjustments of periodic reports, and timely reported the audit opinions and voting to the Board of Supervisors, so as to provide strong support for the scientific decision-making of the Board of Supervisors.

Fourthly, the Supervisors performed their duties with due diligence. The Supervisors performed their supervisory duties professionally and efficiently in strict accordance with the regulatory requirements and the Articles of Association, spared enough time and effort in supervision and research. The average attendance rate of meetings of the Board of Supervisors was 94%, and the attendance rate of on-site meetings was 91%. The average time of external Supervisors engaged in supervision for the Company exceeded 27 working days. The Supervisors could exert their professional knowledge and experience in their respective fields, which has played an important role in further improving the supervision level of the Board of Supervisors and perfecting corporate governance of the Company.

(II) Focused on key points of supervision, deepened the contents of supervision and continuously improved the effectiveness of supervision

The Board of Supervisors focused on the key points of supervision such as duty performance, finance, strategy, risk and internal control, broadened the vision of supervision, deepened the content of supervision, effectively enhanced the pertinence and effectiveness of supervision, and further strengthened, deepened and achieved results in the work of the Board of Supervisors.

1. Fulfilled the main responsibility of duty performance evaluation and solidly carried out duty performance supervision

Firstly, proactively implemented the supervision of daily performance. Through attending meetings, reading documents, listening to reports, conducting research, discussion and interview, the Board of Supervisors could understand the performance of the Board of Directors, senior management and their members from multiple perspectives, focusing on their due diligence in development strategies, operation and management, risk management, internal control and compliance, remuneration appraisal, internal and external audit, protection of consumer rights and interests, case prevention and control, anti-money laundering management and information disclosure. Secondly, continuously standardized the annual performance evaluation. By formulating the implementation plan of annual performance evaluation, clarifying the division of responsibilities and obligations and time nodes, the Board of Supervisors promoted the orderly conduction of annual performance evaluation. According to the regulatory requirements and the actual situation of the Company, the Board of Supervisors revised and improved the performance evaluation system, enriched the performance evaluation dimensions, and further standardized the performance requirements of Directors, Supervisors and senior management. Thirdly, strengthened the application of performance evaluation results. The Board of Supervisors considered and approved the Report of the Board of

APPENDIX II 2021 WORK REPORT OF THE BOARD OF SUPERVISORS

Supervisors on the Supervision and Evaluation of the Performance of the Board of Directors and Directors in 2020, the Report of the Board of Supervisors on the Supervision and Evaluation of the Performance of the Board of Supervisors and Supervisors in 2020, and the Report of the Board of Supervisors on the Supervision and Evaluation of the Performance of Senior Management and Its Members in 2020, and reported to the Shareholders' general meeting of the Company and the CBIRC respectively, so as to better encourage relevant governance bodies to perform their duties.

2. Strengthened financial management and thoroughly implemented financial supervision

Firstly, the Board of Supervisors attached great importance to the truth, accuracy and completeness of important financial information, successively considered the periodic reports four times, issued clear audit opinions, and signed written confirmation opinions by all Supervisors; considered the annual operation plan, financial budget plan and annual profit distribution plan, regularly listened to the report of operation and management, and timely grasped the implementation of annual budget, the change of key financial indicators, the implementation of major financial decisions, the progress of key investment and financing projects, etc; also, the Board of Supervisors focused on epidemic prevention and control and business development, and focused on the issues and challenges of operation and management. Secondly, the Board of Supervisors strengthened the supervision of capital management. The Board of Supervisors considered the internal capital adequacy assessment report and the capital plan for 2021-2025, deeply understood the performance of the Board of Directors and senior management in capital management, and put forward relevant opinions and recommendations. Thirdly, the Board of Supervisors paid close attention to the implementation of the Company's inclusive finance and green finance policies, and carefully listened to the summary and plan of inclusive finance and the report on the implementation of green finance. Fourthly, the Board of Supervisors actively guided and supervised the internal audit department to independently perform the audit supervision function, regularly listened to the annual and interim audit work reports, and paid attention to the digital transformation of internal audit. Fifth, the Board of Supervisors actively paid attention to the work quality of external audit institutions in audit control and risk warning, regularly listened to work reports, and timely understood audit findings and management recommendations on the Company's principal businesses including credit, investment, wealth management, deposit and capital management.

3. Paid attention to formulation and execution of strategies, and strengthened process supervision

The Board of Supervisors continuously paid attention to the formulation and execution of the Company's development strategies, deeply understood the issues in existence in the process of strategy preparation, re-inspection and implementation, and put forward opinions and recommendations in a timely manner. The Board of Supervisors considered the rolling strategic plan for 2021-2025, supervised the Board of Directors to determine the sound business philosophy, and recommended the management to strengthen the training and publicity of the rolling strategic plan; strengthened the supervision of the implementation of the strategies, listened to the special report on the implementation of the strategies in 2020, and

evaluated the scientificity, rationality and effectiveness of the development strategies on the basis of the summary of the implementation results of the strategies in 2018-2020, formed the development strategy evaluation report; and during the grass-roots research, the Board of Supervisors deeply understood relevant measures taken by the branches to implement the strategies of the head office, and put forward targeted opinions and recommendations on the deployment, promotion and implementation of the strategic goal of “stepping up to a higher level within two years”, as well as the issues and difficulties encountered.

4. Paid attention to risks in comprehensive and key areas, and strengthened risk management and supervision

Firstly, continued to strengthen overall risk management supervision. We regularly listened to risk management reports, learned about risk preference, risk monitoring, and risk early warning. We have focused on the implementation of the “three important and one major” decisions and the progress of disposal of major risk projects, effectively prevented major risks. Secondly, we have strengthened risk supervision in key areas. The Board of Supervisors has successively reviewed proposals in relation to the formulation and revision for stress testing management, liquidity risk, interest rate risk in the banking book, and reputation risk management; and listened to the report on the management of interest rate and exchange rate risk in the banking book and the special audit report, focused on the rectification of relevant issues and the progress of accountability, and effectively implemented risk management supervision.

5. Paid attention to the construction of compliance management and strengthened the supervision of internal control management

Firstly, continued to pay attention to the improvement of the internal control governance structure and the effective operation of the internal control mechanism. During the year, the Board of Supervisors reviewed the internal control evaluation report and the internal control audit report, focused on the identification and rectification of internal control defects, and issued audit opinions; paid attention to the construction of the internal control system, and successively reviewed proposals in relation to the sanctions and compliance policy, money laundering risk management policy, risk management measures and assessment of institutional money laundering. Secondly, we have strengthened internal control and supervision in important business areas, regularly listened to special reports on related party transactions, anti-money laundering, internal control compliance and case prevention management, paid close attention to problems found in various regulatory inspections, and promptly urged management to implement rectification. Thirdly, we have strengthened the supervision of data governance, actively paid attention to the revision of data policies, and listened to relevant regulatory opinions and rectification reports. Fourthly, we have strengthened the supervision of consumer rights protection, regularly listened to the progress of consumer rights protection work and work plans, special audit reports, regulatory evaluation and rectification reports, etc., and put forward specific opinions and suggestions, and promoted senior management to strictly implement the rectification and accountability of relevant issues.

(III) Innovated Methods and Methods, Strengthened Linkage and Coordination, and Further Exerted the Synergy of Supervision

During the year, the Board of Supervisors actively explored, innovated and summarized in practices, enriched the methods of supervision, strengthened synergy and linkage, strengthened the synergy of supervision, and effectively improved the work efficiency of the Board of Supervisors.

Firstly, adhered to the problem orientation and deepened research and supervision. According to the annual research plan and in combination with the requirements of epidemic prevention and control, the Board of Supervisors has conducted research in Fuzhou Branch and its tier-2 branches, Qingdao Branch, and Everbright Wealth Management Company. Through discussions, inspections of outlets, conversations with cadres and employees, and data review, we made in-depth understanding of the implementation of the strategy of the head office by branches and the progress of work around the “Management Improvement Year”. During the investigation process, we focused on the achievement of the strategic goal of the branch’s “three-year rounding unit”, the measures to achieve the “leapfrog plan”, the situation of serving the real economy, the situation of internal risk control, as well as the problems found in internal and external regulatory inspections, and the implementation of rectification and accountability. Through researches, we pointed out specific problems, put forward targeted opinions and suggestions, and continued to do a good job in the supervision and implementation of relevant opinions and suggestions. We have achieved “response to everything, and implementation of everything” to supervise and promote compliance, so that investigation and research can really play a role.

Secondly, strengthened the communication between the “two sessions and one level”, and promoted the coordinated operation of various governance bodies. The Board of Supervisors actively practiced the two “consistency” principles, continuously improved the system and mechanism conducive to communication, and actively promoted the organic integration of party leadership and corporate governance. As a member of the CPC Committee, the chairman of the Board of Supervisors strictly implemented the decisions of the party organization during the supervision process. The Board of Supervisors has established an interactive communication mechanism with the Board of Directors and senior management through various methods such as attending meetings, symposium interviews, work reports and information exchanges. The effective interaction of “two meetings and one level” promoted the coordinated operation of various governance entities, and the overall level of corporate governance has been improved.

Thirdly, actively carried out the exchanges between the Board of Supervisors in the industry and within the system, and promoted common progress. During the year, we communicated with the two Board of Supervisors of the industry, learned about the organizational structure, system construction, supervision measures, and research work of the Board of Supervisors, and fully discussed issues such as strengthening the Board of Supervisors’ ability to perform its duties and improving the supervisory quality and efficiency of the Board of Supervisors. Through learning and exchange, and learning from experience and practices, we have further enriched the means of performing duties. We continued to strengthen the daily contact and communication with the Board of Supervisors of Everbright Group and the boards of supervisors of its subsidiaries, cooperated with the Board of Supervisors of Everbright Group to carry out special research on risk internal control in the company, and discussed with the Directors and Supervisors of Everbright Group on the handling of

non-performing assets in banks and peer benchmarking. We conducted in-depth exchanges on compliance operations, case prevention and control. We organized and held a symposium for the chairman of the board of supervisors of the subsidiaries of Everbright Bank, communicated with the chairman of the board of supervisors of Everbright Wealth Management, Everbright Financial Leasing, and Sunshine Consumer on the supervision focus of the Board of Supervisors, coordination and linkage mechanism and self-construction, etc., and continued to standardize the operation of the board of supervisors within the system.

Fourthly, established a long-term communication mechanism with external institutions to help the Board of Supervisors perform its duties. During the year, we held a symposium with external auditors and external lawyers for the first time to communicate on how to assist the Board of Supervisors to better perform its duties. The Board of Supervisors has put forward relevant suggestions to external institutions, requiring them to always adhere to the principles of professionalism, independence and prudence and do their due diligence in relevant work, to make regular communication on the issues that the Board of Supervisors focuses on, to actively cooperate with the Board of Supervisors to pay attention to regulatory inspections and rectifications, to share relevant experience in the industry and cases, etc., and to assist the Board of Supervisors to perform its duties in a more compliant and comprehensive manner.

(IV) Strengthened Self-Construction, Improved the System, and Continuously Improved the Ability to Perform Duties

During the year, the Board of Supervisors actively adapted to the new situation and new requirements, continued to strengthen its own construction, and continuously improved its organizational structure and system to lay a foundation for the effective performance of its duties by the Board of Supervisors.

Firstly, continued to strengthen the system construction and improved the supervision system. In accordance with the latest regulatory requirements and in light of the actual situation of the Company, earnestly carried out the revision of six systems including the "Measures for the Supervisory Board to Supervise and Evaluate the Performance of Directors by the Board of Supervisors (《監事會對董事履職監督評價辦法》)" and "Measures for the Supervisory Board to Supervise and Evaluate the Performance of Supervisors by the Board of Supervisors (《監事會對監事履職監督評價辦法》)", further clarified that the Board of Supervisors shall take the ultimate responsibility for the performance evaluation of Directors and Supervisors, improved the basic principles of performance evaluation, highlighted the time and quality requirements for performance, and incorporated the organic integration of party leadership and corporate governance into the performance evaluation. The revised performance evaluation system further enriched the performance evaluation dimension. In response to the problems that certain Directors, Supervisors and senior executives failed to fulfill their responsibilities and standards, the key points that should be focused in the performance of their duties were clarified by enumeration, and the supervision system of the Board of Supervisors was further improved.

Secondly, the change of supervisors has been steadily advanced and the supervisory force has been supplemented. During the year, a total of 2 supervisors of the Board of Supervisors have resigned. Mr. Li Xin resigned as the Chairman of the Board of Supervisors of the Company due to

APPENDIX II 2021 WORK REPORT OF THE BOARD OF SUPERVISORS

retirement, and Mr. Yin Lianchen resigned as the Shareholder Supervisor of the Company due to work adjustment. In order to ensure the orderly and stable progress of relevant work, the Board of Supervisors actively communicated and coordinated with all parties, and completed the information disclosure of resigned supervisors in an accurate and timely manner. Besides, relevant meetings were held efficiently, and the nomination and election of Lu Hong, Chairman of the Board of Supervisors and Li Yinzhong, Supervisor were completed in accordance with laws and regulations. Based on their professionalism and work experience, the composition of the special committees of the Board of Supervisors was further optimized, and the supervisory force was supplemented.

Thirdly, strengthened the support for duty performance and enhanced the training of Supervisors. The Board of Supervisors has improved its political position, has always been guided by Xi Jinping's Thoughts on Socialism with Chinese Characteristics in the New Era, and practiced the implementation of the Party's guidances, principles and policies in the supervision work of the Board of Supervisors. The Board of Supervisors strengthened the training of Supervisors, participated in several special online training sessions for directors and supervisors of the Listed Companies Association of Beijing, and focused on new laws and regulations, capital operation and direct financing, etc., so as to understand the latest policies and regulatory trends, broaden the horizon of supervision, and improve the ability to perform duties. The Board of Supervisors has established the regular reporting system for work information, improved the supervisory performance guarantee mechanism, and kept abreast of internal and external work in a timely manner and obtained more comprehensive supervision information by reviewing external supervisory opinions, internal audit department management proposals and letters of advice, the Board of Supervisors Information Communication and the Learning Newsletter of the Board of Directors and the Board of Supervisors, etc.

II. PERFORMANCE SUPERVISION ASSESSMENT OPINIONS ON THE BOARD OF DIRECTORS, THE BOARD OF SUPERVISORS, SENIOR MANAGEMENT AND THEIR MEMBERS FOR THE YEAR 2021

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 2021. The Board of Supervisors is of the opinion that:

The Board of Directors was able to conscientiously implement the decisions and deployments of the Party Central Committee and the State Council, and diligently carried out all types of work legally, actively performed major decision-making functions, and organically unified the strengthening of the Party's leadership and the improvement of corporate governance; maintained strategic focus, promoted the implementation of strategies, and made new achievements in further promoting the construction of a "first-class wealth management bank"; continuously strengthened risk internal control management, and actively performed duties in liquidity risk management, stress testing, data governance, capital management, consolidated management, related party transaction management, information disclosure, anti-money laundering management, employee behavior management and consumer rights protection. All Directors were able to legally and compliantly exercise their rights and perform their obligations diligently and dutifully, and both of their attendance at meetings and working hours complied with regulatory requirements. After consideration by the Board of Supervisors, the performance assessment results of all Directors in 2021 are "competent".

APPENDIX II 2021 WORK REPORT OF THE BOARD OF SUPERVISORS

The Board of Supervisors was able to, in strict accordance with the laws, regulations, regulatory requirements and provisions of the Articles of Association to convene meetings of the Board of Supervisors in a high-quality way, and actively performed supervisory duties with focuses on performance, finance, strategy, risk and internal control. The Board of Supervisors adhered to the problem orientation, broadened the scope of supervision, conducted in-depth investigation and research, and continued to improve the quality and efficiency of supervision, played an active role in promoting the Company to further improve corporate governance. All Supervisors were able to insist on high standards of professional ethics, perform their supervisory duties professionally and efficiently, and actively participated in training and research. Their attendance of meetings and working hours complied with regulatory requirements. After consideration by the Board of Supervisors, the performance assessment results of all Supervisors in 2021 are “competent”.

The senior management was able to actively respond to changes and challenges in the external situation, conscientiously implemented the spirit of the central government and regulatory requirements, adhered to the leadership of Party building, actively connected with national strategies, served the real economy, and developed inclusive finance; actively promoted strategy implementation, strengthened technology empowerment, continued to improve profitability, and achieved new breakthroughs in wealth management transformation; continuously strengthened risk internal control management, earnestly performed duties and played an active role in liquidity risk management, stress testing, data governance, capital management, consolidated management, related party transaction management, information disclosure, money laundering management, employee behavior management and consumer rights protection, etc. All members of senior management were able to abide by high standards of professional ethics, earnestly followed the Articles of Association and the authorization of the Board, strictly implemented the resolutions of the general meeting, the Board of Directors and the Board of Supervisors, and performed their duties diligently. After consideration by the Board of Supervisors, the performance assessment results of all members of senior management in 2021 are “competent”.

III. INDEPENDENT OPINIONS ON RELEVANT MATTERS

(I) Lawfulness of business operation

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

Ernst & Young Huaming LLP and Ernst & Young have audited the annual financial report of the Company in accordance with Auditing Standards for Chinese Certified Public Accountants and International Standards on Auditing, and 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, regulations 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

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.

(IV) Related party transactions

The management on related party transactions complied with the relevant provisions of 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 consideration. 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 of the Company earnestly implemented the relevant resolutions of the general meetings.

(VI) Internal control

The Board of Supervisors considered the 2021 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 2021 and had no objection to the contents of the proposal.

(VIII) Implementation of information disclosure system

The Company fulfilled its information disclosure obligation in strict accordance with regulatory requirements, conscientiously implemented the information disclosure affairs management system, and disclosed information in a timely and fair manner. The disclosed information was true, accurate and complete.

In 2022, the Board of Supervisors of the Company will adhere to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era, and will focus on the general requirements of "stability, progress and excellence", actively, fully and effectively perform duties, and further exert the supervisory function of the Board of Supervisors. The Board of Supervisors will promote the construction of "a first-class wealth management bank" to achieve new breakthroughs and reach a new level, and welcome the successful convening of the 20th National Congress with excellent results.