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

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

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

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中國光大銀行股份有限公司

**China Everbright Bank Company Limited**

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

**(Stock code: 6818)**

**2023 WORK REPORT OF THE BOARD OF DIRECTORS  
2023 WORK REPORT OF THE BOARD OF SUPERVISORS  
BUDGET OF FIXED ASSET INVESTMENT FOR THE YEAR 2024  
AUDITED ACCOUNTS REPORT FOR THE YEAR 2023  
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023  
APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2024  
REMUNERATION OF THE DIRECTORS FOR THE YEAR 2023  
REMUNERATION OF THE SUPERVISORS FOR THE YEARS 2022-2023  
DONATIONS FOR SUPPORTING DESIGNATED ASSISTANCE  
ISSUANCE PLAN OF CAPITAL BONDS AND RELATED AUTHORIZATIONS  
AND  
NOTICE OF THE 2023 ANNUAL GENERAL MEETING**

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

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, 27 June 2024 at 9:30 a.m.

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, 26 June 2024) 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.

6 June 2024

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

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## DEFINITIONS

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

“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 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 is (are) listed on the Shanghai Stock Exchange and traded in RMB
“H Share(s)”	overseas listed foreign share(s) with par value of RMB1.00 each in the share capital of the Company, which is (are) listed on the Stock Exchange and traded in HKD
“Articles of Association”	the articles of association of China Everbright Bank Company Limited
“AGM”	the 2023 annual general meeting 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, 27 June 2024 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
“Company Law”	the Company Law of the People’s Republic of China
“Securities Law”	the Securities Law of the People’s Republic of China
“PRC”	the People’s Republic of China
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“MOF”	the Ministry of Finance of PRC
“NFRA”	the National Financial Regulatory Administration

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of the PRC
“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) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“%”	per cent

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LETTER FROM THE BOARD

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中國光大銀行股份有限公司

**China Everbright Bank Company Limited**

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

**(Stock code: 6818)**

*Chairman of the Board, Non-executive Director:*  
Mr. WU Lijun

*Vice Chairman of the Board, Non-executive Director:*  
Mr. CUI Yong

*Executive Director:*  
Mr. QU Liang

*Non-executive Directors:*  
Mr. YAO Wei  
Mr. ZHU Wenhui  
Mr. LI Wei

*Independent Non-executive Directors:*  
Mr. SHAO Ruiqing  
Mr. HONG Yongmiao  
Mr. LI Yinquan  
Mr. LIU Shiping  
Mr. HUANG Zhiling

*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

6 June 2024

*To the Shareholders*

Dear Sir or Madam,

**2023 WORK REPORT OF THE BOARD OF DIRECTORS  
2023 WORK REPORT OF THE BOARD OF SUPERVISORS  
BUDGET OF FIXED ASSET INVESTMENT FOR THE YEAR 2024  
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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

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

### 2. 2023 WORK REPORT OF THE BOARD OF DIRECTORS

The full text of the 2023 Work Report of the Board of Directors is set out in Appendix I to this circular.

### 3. 2023 WORK REPORT OF THE BOARD OF SUPERVISORS

The full text of the 2023 Work Report of the Board of Supervisors is set out in Appendix II to this circular.

### 4. BUDGET OF FIXED ASSET INVESTMENT FOR THE YEAR 2024

In order to completely, accurately and comprehensively implement new development concept, and promote the high quality development as the “first-class wealth management bank” to a new achievement, taking comprehensive consideration of the external economic situation, policy environment and peer competition pattern, in 2024, the Company’s fixed asset investment will be centered on the “five target areas” of science and technology finance, green finance, inclusive finance, pension finance and digital finance, and will continue to provide support for key basic works such as customers, deposits, operating income, channels and data, focus on technology empowerment, scenario finance, channel construction and other fields, guarantee the investment in information technology, support the construction of platform scenarios, and promote the cooperation of business projects. The Company will 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 RMB2.217 billion, of which RMB860 million will be used for the construction of premises for technical businesses, RMB800 million will be invested in information technology, RMB141 million will be invested in channel construction, and RMB416 million will be invested in office equipment upgrade and other investments. Details are as follows:

*Unit: RMB100 million*

<b>Items</b>	<b>Budget for 2024</b>
Construction of premises for technical businesses	8.60
Investment in information technology	8.00
Channel construction	1.41
Office equipment upgrade and other investments	4.16
<b>Total</b>	<b>22.17</b>

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## LETTER FROM THE BOARD

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### 5. AUDITED ACCOUNTS REPORT FOR THE YEAR 2023

In 2023, under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era, the Company has unswervingly carried out the spirit of the 20th National Congress of the CPC, the Central Financial Work Conference and the Central Economic Work Conference, adhered to the comprehensive leadership of the Party on financial work, upheld the political and people-oriented nature of financial work, adhered to the general principle of seeking progress while maintaining stability, earnestly conducted themed education, implemented the new development concept in a complete, accurate and comprehensive manner, endeavored to promoting the high-quality and sustainable development, and the businesses of the Bank developed soundly and the operation condition met the expectation as a whole.

#### I. Assets and Liabilities

*Unit: RMB100 million*

	As at the end of 2023	As at the end of 2022	Increase	Growth rate
Assets	67,727.96	63,005.10	4,722.86	7.50%
Including: loans	37,869.54	35,722.76	2,146.78	6.01%
Liabilities	62,180.11	57,904.97	4,275.14	7.38%
Including: general deposits	40,945.28	39,171.68	1,773.60	4.53%
Owners' equity	5,547.85	5,100.13	447.72	8.78%

As at the end of 2023, the total assets of the Bank were RMB6,772.796 billion, representing an increase of RMB472.286 billion or 7.50% over the end of the previous year. Among them, the balance of loans was RMB3,786.954 billion, representing an increase of RMB214.678 billion or 6.01% over the end of the previous year.

As at the end of 2023, the total liabilities of the Bank were RMB6,218.011 billion, representing an increase of RMB427.514 billion or 7.38% over the end of the previous year. Among them, the balance of general deposits was RMB4,094.528 billion, representing an increase of RMB177.360 billion or 4.53% over the end of the previous year. The balance of owners' equity of the Bank was RMB554.785 billion, representing an increase of RMB44.772 billion or 8.78% over the end of the previous year.

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## LETTER FROM THE BOARD

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### II. Financial Balance

*Unit: RMB100 million*

	2023	2022	Increase	Growth rate
Operating income	1,456.85	1,516.32	-59.47	-3.92%
Including: net interest income	1,074.80	1,136.55	-61.75	-5.43%
net fee and commission income	236.98	267.44	-30.46	-11.39%
Operating expenses	958.82	956.46	2.36	0.25%
Including: operating fees	410.42	422.79	-12.37	-2.93%
provision expenses	521.05	506.09	14.96	2.96%
Operating profit	498.03	559.86	-61.83	-11.04%
Net profit	410.76	450.40	-39.64	-8.80%

In 2023, the operating income of the Bank was RMB145.685 billion, representing a decrease of RMB5.947 billion or 3.92% as compared to the previous year. Among them, the net interest income was RMB107.480 billion, representing a decrease of RMB6.175 billion or 5.43% as compared to the previous year. The net fee and commission income was RMB23.698 billion, representing a decrease of RMB3.046 billion or 11.39% as compared to the previous year.

In 2023, the operating expenses of the Bank were RMB95.882 billion, representing an increase of RMB0.236 billion or 0.25% as compared to the previous year. Among them, the operating fees were RMB41.042 billion, representing a decrease of RMB1.237 billion or 2.93% as compared to the previous year. The cost-income ratio was 28.17%, representing an increase of 0.29 percentage point as compared to the previous year. The provision expenses were RMB52.105 billion, representing an increase of RMB1.496 billion or 2.96% as compared to the previous year.

In 2023, the operating profit of the Bank was RMB49.803 billion, representing a decrease of RMB6.183 billion or 11.04% as compared to the previous year. The net profit was RMB41.076 billion, representing a decrease of RMB3.964 million or 8.80% as compared to the previous year. The average return on total assets was 0.63%, representing a decrease of 0.11 percentage point as compared to the previous year. The average return on net assets was 8.38%, representing a decrease of 1.89 percentage points as compared to the previous year.



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## LETTER FROM THE BOARD

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### III. Asset Quality

*Unit: RMB100 million*

	<b>As at the end of 2023</b>	<b>As at the end of 2022</b>	<b>Change</b>
Non-performing loans	474.76	446.74	28.02
Non-performing loan ratio	1.25%	1.25%	0.00%
Balance of loan impairment provision	860.61	839.56	21.05
Provision-to-loan ratio	2.27%	2.35%	-0.08%
Provision coverage ratio	181.27%	187.93%	-6.66%

As at the end of 2023, the balance of non-performing loans of the Bank was RMB47.476 billion, representing an increase of RMB2.802 billion as compared to the end of the previous year. The non-performing loan ratio was 1.25%, in line with the end of the previous year.

As at the end of 2023, the balance of loan impairment provision of the Bank was RMB86.061 billion, representing an increase of RMB2.105 billion as compared to the end of the previous year. The provision-to-loan ratio was 2.27%, representing a decrease of 0.08 percentage point as compared to the end of the previous year. The provision coverage ratio was 181.27%, representing a decrease of 6.66 percentage points as compared to the end of the previous year.

### IV. Capital Adequacy

*Unit: RMB*

	<b>As at the end of 2023</b>	<b>As at the end of 2022</b>	<b>Change</b>
Net assets per share	7.57	7.46	0.11
Core tier-1 capital adequacy ratio	9.18%	8.72%	0.46%
Tier-1 capital adequacy ratio	11.36%	11.01%	0.35%
Capital adequacy ratio	13.50%	12.95%	0.55%

As at the end of 2023, the net assets per share of the Bank were RMB7.57, representing an increase of RMB0.11 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 9.18%, representing an increase of 0.46 percentage point as compared to the end of previous year; the tier-1 capital adequacy ratio was 11.36%, representing an increase of 0.35 percentage point as compared to the end of previous year; the capital adequacy ratio was 13.50%, representing an increase of 0.55 percentage point as compared to the end of previous year, indicating that the capital adequacy ratio indicators remained in compliance with the regulatory requirements.

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## LETTER FROM THE BOARD

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### 6. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023

According to the audited financial statements for 2023, the net profit attributable to Shareholders of the Company in the consolidated statements of the Company is RMB40.792 billion, the net profit in the parent company's statements amounted to RMB37.287 billion, and undistributed profit at the end of the period in the parent company's statements amounted to RMB190.480 billion. After deducting the dividends of "Everbright P1", "Everbright P2" and "Everbright P3" in 2023 of RMB2.971 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 statements is RMB35.981 billion, the net profit available for distribution to ordinary Shareholders for the year was RMB32.476 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 and the 2022-2024 Shareholder Returns Plan, the Company hereby formulates the profit distribution plan for the year 2023 as follows:

1. As at the end of 2023, 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 the 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 MOF, a general reserve of RMB4.397 billion was provided at 1.5% of the closing balance of risk assets.
3. Cash dividends were distributed to all Shareholders of ordinary Shares at RMB1.73 (before tax) per 10 Shares. Based on the 59.086 billion Shares in total as of the disclosure date of the 2023 annual report of the Company, the total cash dividends amounted to RMB10.222 billion, accounting for 25.06% of net profit attributable to the Company's Shareholders in the consolidated statements, and accounting for 28.41% of the net profit attributable to ordinary Shareholders of the Company in the consolidated statements. 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 2023, 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 ratios.

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## LETTER FROM THE BOARD

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### 7. APPOINTMENT OF ACCOUNTING FIRMS FOR THE YEAR 2024

Upon completion of the audit work of the Company for the year 2023, Ernst & Young Hua Ming LLP and Ernst & Young (collectively “**Ernst & Young**”) have provided audit services to the Company for eight consecutive years, which is the maximum term of consecutive engagement of an accounting firm as stipulated by the MOF. Therefore, the Company is required to change its accounting firms for the year 2024.

As considered and approved by the Audit Committee of the Board and the Board, the Board proposed to appoint KPMG Huazhen LLP as the domestic accounting firm of the Company for the year 2024 and appoint KPMG as the overseas accounting firm of the Company for the year 2024. The audit fee for the year 2024 will be RMB8.37 million (inclusive of reimbursement and value-added tax), which includes the audit fee of financial statements of RMB7.67 million, and the audit fee of internal control of RMB0.70 million.

The Company has communicated with Ernst & Young in relation to the change of accounting firms, and Ernst & Young had no objection to the change of accounting firms, and confirmed that there are no matters in relation to the change of accounting firms that need to be brought to the attention of the Shareholders. The Board also confirms that there are no matters in relation to the change of accounting firms that need to be brought to the attention of the Shareholders.

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## LETTER FROM THE BOARD

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### 8. REMUNERATION OF THE DIRECTORS FOR THE YEAR 2023

In accordance with the relevant requirements of the Articles of Association and based on the performance of duties, the proposed remuneration of the Directors for the year 2023 is set out below:

*Unit: RMB0'000*

<b>Name</b>	<b>Position</b>	<b>Remuneration for 2023 (before tax)</b>
Wu Lijun <sup>1</sup>	Vice Chairman, Non-executive Director	–
Wang Zhiheng	Executive Director	–
Qu Liang	Executive Director	–
Yao Wei	Non-executive Director	–
Zhu Wenhui	Non-executive Director	–
Li Wei	Non-executive Director	–
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 <sup>2</sup>	Independent non-executive Director	42.00
Liu Shiping	Independent non-executive Director	43.00
Huang Zhiling	Independent non-executive Director	–
<b>Resigned Directors:</b>		
Wang Jiang	Former Chairman, Non-executive Director	–
Yao Zhongyou	Former non-executive Director	–
Liu Chong	Former non-executive Director	–
Wang Ligu	Former Independent non-executive Director	35.00

- Notes:*
1. The chairman, vice chairman and non-executive Directors do not receive remuneration from the Company. The remuneration of executive Directors is determined with reference to the remuneration standards of senior management. The remuneration of senior management is subject to the approval by the Board. The independent non-executive Directors receive remuneration from the Company (Huang Zhiling, the independent non-executive Director, does not 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 2023, each of Shao Ruiqing, Hong Yongmiao, Li Yinquan and Liu Shiping, the independent non-executive Directors, served as the chairman of a special committee and the member of 3 special committees of the Company, respectively; Han Fuling, the independent non-executive Director, served as the member of 4 special committees of the Company.
  4. In 2023, Mr. Yao Zhongyou, Mr. Wang Jiang and Mr. Liu Chong resigned from the directorship position of the Company on 31 May, 17 November and 20 November, respectively; The remuneration of Mr. Wang Ligu, the resigned independent non-executive Director, is calculated according to his actual term of office.

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<sup>1</sup> On 29 January 2024, the NFRA approved the qualification of Mr. Wu Lijun as the chairman of the Board of the Company.

<sup>2</sup> On 27 January 2024, Mr. Han Fuling passed away due to illness.

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## LETTER FROM THE BOARD

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### 9. REMUNERATION OF THE SUPERVISORS FOR THE YEARS 2022-2023

In accordance with the relevant requirements of the Articles of Association, and based on the performance of duties, the proposed remuneration of the former chairman of the Board of Supervisors for the year 2022 and of the Supervisors for the year 2023 are set out below:

*Unit: RMB0'000*

<b>Name</b>	<b>Position</b>	<b>Remuneration (before tax)</b>
<b>Remuneration of the former chairman of the Board of Supervisors for the year 2022</b>		
Lu Hong	Former chairman of the Board of Supervisors, Shareholder Supervisor	293.45
<b>Remuneration of Supervisors for the year 2023</b>		
Wu Junhao	Shareholder Supervisor	–
Li Yinzong	Shareholder Supervisor	–
Wang Zhe	External Supervisor	33.00
Qiao Zhimin	External Supervisor	34.00
Chen Qing	External Supervisor	–
Shang Wencheng	Employee Supervisor	–
Yang Wenhua	Employee Supervisor	–
Lu Jian	Employee Supervisor	–
<b>Resigned Supervisor:</b>		
Lu Hong	Former chairman of the Board of Supervisors, Shareholder Supervisor	–

- Notes:*
1. In November 2023, Mr. Lu Hong resigned as the chairman of the Board of Supervisors and the Shareholder Supervisor of the Company due to retirement.
  2. The remuneration of Mr. Lu Hong, the former chairman of the Board of Supervisors for the year 2022 is determined according to the Remuneration Management Measures for Persons in Charge of the Company; according to relevant policies requirements, his performance-based remuneration is subject to deferred payment, and the deferred part is provided at 51% of the annual performance-based remuneration, which has not yet been paid out and shall be deferred for payment of three years; the above amount is calculated based on the tenure of office and the timing of actual payment of remuneration. According to the relevant regulations, the remuneration of Mr. Lu Hong for 2023 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.
  3. Shareholder Supervisors (except chairman of the Board of Supervisors) do not receive remuneration from the Company. Employee Supervisors received post salary in the capacity as employees, but did not receive any remuneration in their respective capacity as an Employee Supervisor; Chen Qing, the External Supervisor, did not receive any remuneration from the Company.

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## LETTER FROM THE BOARD

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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; and 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 2023, 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.

### 10. DONATIONS FOR SUPPORTING DESIGNATED ASSISTANCE

In order to implement the decisions and deployments of the CPC Central Committee and the State Council, consolidate and expand the results of poverty alleviation and comprehensively promote the rural revitalization, the Company proposes to continuously make donations to support designated assistance work of RMB13.00 million. The proposal has been considered and approved at the 18th meeting of the ninth session of the Board of the Company, and is proposed to the Shareholders' general meeting for consideration and approval.

### 11. ISSUANCE PLAN OF CAPITAL BONDS AND RELATED AUTHORIZATIONS

In order to promote the Company's high-quality development, strengthen its capital base and reduce the cost of capital, in accordance with the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》) and other relevant regulations, in the next two years, the Company intends to issue capital bonds in a timely manner in accordance with its actual operational needs and subject to the approval of the shareholders' general meeting and the relevant regulatory authorities, the details as set out below:

#### I. Issuance Plan of Capital Bonds

1. Type of instruments: non-fixed term capital bonds with write-down clause, which shall satisfy the requirements under the Administrative Measures for the Capital of Commercial Banks and other relevant regulations, and which may be used to supplement other Tier 1 capital of commercial banks;
2. Issuance size: not exceeding an aggregate equivalent of RMB75.0 billion (the "Total Size"), within which the Company may issue new capital bonds in accordance with the requirements of this resolution after it has decided to exercise the right to redeem one or more of the existing capital instruments in the future;
3. Issue tranches: the bonds may be issued in tranches within the issuance period approved by the regulatory authorities, with the specific tranche plan to be determined in conjunction with the guidance of the regulatory authorities and the needs of the Company;
4. Issuance market: domestic and overseas markets;

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## LETTER FROM THE BOARD

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5. Issuance currency: to be determined in accordance with applicable laws and regulations, regulatory documents and approvals from regulatory authorities, taking into account the capital requirements and the places of issuance of the bonds;
6. Terms of the bonds: consistent with the Company's continuing operation period;
7. Issuance method: to be determined in accordance with the applicable laws and regulations, regulatory documents and requirements of the regulatory authorities at the place of issuance and at the time of issuance of the bonds;
8. Determination of issuance window: within the issuance period approved by the regulatory authorities, taking into account factors such as market capitalization and interest rate trend, the preferred window will be selected and the bonds will be issued on an opportune basis;
9. Determination of coupon rate: the coupon rate at the time of issuance shall be determined by reference to the market interest rate in a manner permitted by the regulatory authorities;
10. Use of proceeds: to replenish other Tier 1 capital of the Company in accordance with applicable laws and the approval of regulatory authorities;
11. Redemption option: upon 5 years from the date of issuance, the Company has the right to redeem under the premise of obtaining the approval of the regulatory authorities;
12. Loss-absorbing method: when the triggering event stipulated in the issuance documents occurs, the loss will be absorbed by way of write-down;
13. Validity period of the resolution: 24 months from the date of approval by the Shareholders' general meeting as well as obtaining the approval by the NFRA.

The specific issuance plan will be optimized and adjusted in accordance with the requirements of the regulatory authorities.

### **II. Matters Relating to Authorizations**

#### **(I) Authorizations in connection with the issuance of capital bonds**

It will be proposed at the general meeting to authorize the Board, which may delegate the authorization to the Chairman and the President, to exercise the full power to determine, jointly or severally, the specific terms of the issuance of the capital bonds and to handle all related matters, under the framework and principles as considered and passed at the general meeting, and in

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## LETTER FROM THE BOARD

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accordance with the regulations and approval requirements issued by the relevant regulatory authorities, as well as the abovementioned terms and conditions. The specific content and scope of the authorizations include but are not limited to the following:

1. to determine specific contents of the capital bonds, such as issuance period, issuance size, issuance time, issuance interest rate, issuance objects, issuance terms and conditions, to select an intermediary organization, to handle the registration and custody of the bonds, to apply for the listing and circulation of the bonds, to carry out the negotiations related to the issue of the bonds and to sign the relevant legal documents, and others;
2. to report to relevant regulatory authorities for filing the issuance of bonds, and making appropriate adjustments to the issuance plan, reporting materials, filing documents, bond names, design of terms and other bond-related matters in accordance with the regulations and approval requirements promulgated by relevant regulatory authorities;
3. other specific matters relating to the issuance of the bonds.

The authorization period is 24 months from the date of approval by the Shareholders' general meeting as well as obtaining the approval by the NFRA.

### **(II) Authorizations in connection with the matters during the term of capital bonds**

It will be proposed at the general meeting to authorize the Board, which may delegate the authorization to the Chairman and the President, to exercise the full power to handle related matters, jointly or individually, during the term of each tranche of capital bonds based on actual circumstances and under the framework and principles as considered and passed at the general meeting, and in accordance with the regulations and approval requirements issued by the relevant regulatory authorities. The specific contents and scope of the authorizations shall include but not limited to, the arrangement for payment of principal and interest, the exercise of the redemption option subject to the redemption conditions and making write-downs upon the occurrence of the triggering events as agreed, and information disclosure.

### **12. THE AGM**

The AGM will be held at the conference room of 3rd Floor, Tower A, China Everbright Center, No. 25 Taipingqiao Avenue, Xicheng District, Beijing, the PRC on Thursday, 27 June 2024 at 9:30 a.m.

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

In order to determine the holders of H Shares who will be entitled to attend the AGM, the register of members of H Shares of the Company will be closed from Monday, 24 June 2024 to Thursday, 27 June 2024 (both days inclusive), during which period no transfer of H Shares will be registered. Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong on Thursday, 27 June 2024 are entitled to attend the AGM.



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## LETTER FROM THE BOARD

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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, 21 June 2024.

A reply slip and a proxy form for use at the AGM are available on the HKEXnews website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.cebbank.com](http://www.cebbank.com)). Shareholders who intend to attend the AGM in person or by proxy shall complete and return the reply slip in accordance with the instructions printed thereon on or before Thursday, 20 June 2024. Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the proxy form 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, 26 June 2024) for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the AGM and voting in person if you so wish.

#### **14. CLOSURE OF REGISTER OF MEMBERS FOR DISTRIBUTION OF 2023 FINAL DIVIDEND**

In order to determine the Shareholders of H Shares entitled to receive the final dividend for the year ended 31 December 2023, the register of members of the Company will be closed from Thursday, 4 July 2024 to Tuesday, 9 July 2024 (both days inclusive), during which period no transfer of Shares will be registered.

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 Wednesday, 3 July 2024. Holders of H Shares whose names appear on the register of members of the Company on Tuesday, 9 July 2024 are entitled to receive the final dividend for the year 2023.

#### **15. PROCEDURES FOR VOTING AT THE AGM**

According to Rule 13.39(4) of the Hong Kong Listing Rules, the vote of shareholders at the AGM will be taken by poll.

To the best knowledge of the Company, no Shareholders are deemed to be materially interested in any resolution at the AGM and are required to abstain from voting on any resolution.

Please be reminded that, pursuant to the requirement of Article 68 of the Articles of Association, your voting rights at the AGM will be restricted if you pledge 50% or more of your voting Shares in the Company.

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## LETTER FROM THE BOARD

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### 16. 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 Director of the Company is Mr. Qu Liang; the Non-executive Directors are Mr. Wu Lijun, Mr. Cui Yong, Mr. Yao Wei, Mr. Zhu Wenhui and Mr. Li Wei; and the Independent Non-executive Directors are Mr. Shao Ruiqing, Mr. Hong Yongmiao, Mr. Li Yinquan, Mr. Liu Shiping and Mr. Huang Zhiling.*

## CHINA EVERBRIGHT BANK COMPANY LIMITED 2023 WORK REPORT OF THE BOARD OF DIRECTORS

The year 2023 was the opening year for the full implementation of the spirit of the 20th National Congress of the CPC Party. In the face of the complex domestic and international economic and financial environment, the Board of the Company adhered to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era, fully implemented the spirit of the 20th National Congress of the CPC Party and the 2nd Plenary Session of the 20th Central Committee of the CPC, resolved to implement the requirements of the Central Economic Work Conference and the Central Financial Work Conference, and firmly adhered to the political and people-oriented nature of financial work. The Board of the Company adhered to the general principle of seeking progress while maintaining stability, focused on its main responsibilities and businesses, fully implemented national strategies, fulfilled its responsibilities as a central enterprise, and enhanced its ability to achieve high-quality development. It also continued to improve its governance mechanism, strengthened the management on shareholders' equity and related party transactions, and continued to enhance the quality of its information disclosure, which was recognized by the market and the regulatory authorities. The Company was awarded the "Best Joint-Stock Bank of the Year" in the "2023 China Financial Institutions Financial Ranking" by the Financial Times.

### **I. ACTIVELY SERVED THE REAL ECONOMY AND FULFILLED THE RESPONSIBILITIES AS A CENTRAL ENTERPRISE**

In 2023, the Board adhered to the fundamental purpose of serving the real economy, appropriately handled the relationship between functionality and profitability, supervised the management to increase credit investment, optimized the supply of funds, strengthened the quality finance services for major strategies, key areas and weak links, and endeavored to improve the quality of service to the real economy, and proactively fulfilled its social responsibilities.

#### **(I) Clearly Defined Directions and Measures, Increased Credit Allocation**

Under the guidance of the Board, the management formulated and implemented the Work Plan for Serving the Real Economy in 2023, specifying work initiatives around key areas such as manufacturing, green finance, science and technology innovation, and regional strategies. It implemented the spirit of various national policies; formulated guiding opinions on supporting science and innovation enterprises, serving local government bonds, stabilizing foreign trade and foreign investment and supporting external liberalization, supporting the expansion of strategic emerging industries, supporting the development of private enterprises, serving the development of real estate under the new situation, and serving the comprehensive promotion of rural revitalization; and continuously stepped up credit investment, and the growth rate of loans for key areas and weak links has significantly outpaced the growth rate of general loans. At the end of 2023, the Bank's corporate loans (excluding discount) increased by 12.14% from the end of the previous year, which was higher than the average growth rate of the Bank's loans. The growth rates of manufacturing loans, loans for strategic emerging industries, green loans, technology-based loans and inclusive loans for small and medium-sized enterprises reached 24.74%, 46.71%, 57.44%, 50.64% and 24.18%, respectively.

**(II) Integrated into the Overall Situation of National Development and Supported Major Regional Strategies**

The Board explicitly included the promotion of coordinated regional development in its strategic development planning, and guided the gathering of financial resources in major regional strategic areas. The Bank set up six strategic working groups to promote the implementation and effectiveness of key regional strategies; continued to enrich its credit business, launched a series of innovative products such as “Specialized, Refined, Special and New Giant Loan (專精特新巨人貸)”, “Specialized, Refined, Special and New Enterprise Loan (專精特新企業貸)”, “Senseless Discount (無感貼現)”, “Fixed Asset Easy Loan (固資易貸)”, “U Grain e-Loan (U谷e貸)” and “Sustainable Development Linked Loan (可持續發展掛鉤貸款)”, and strengthened preferential policies to support key industries and major projects. At the end of 2023, the balance of the Company’s RMB-denominated corporate loans (including discount) in six strategic regions (Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Economic Belt, Yellow River Basin Ecological Protection Area and Hainan Free Trade Zone) amounted to RMB1.87 trillion, representing an increase of over RMB180.0 billion as compared with that at the end of the previous year.

**(III) Fully Implemented the Concept of Green Development and Proactively Fulfilled Social Responsibilities**

The Board fully utilized the leading role of ESG strategic deployment and decision-making, renamed the Inclusive Finance Development and Consumer Rights and Interests Protection Committee into the Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee, added related responsibilities such as green finance and social responsibility management. The Board listened to the management’s report on the commencement of the work on carbon peak, carbon neutral and green finance, further improved the green finance regularized working mechanism, increased the allocation of resources to improve the business layout of green finance; amended the Administrative Measures for Green Finance, increased the support for green, low-carbon and circular economy, and prevented environmental, social and governance risks. The Board considered and approved a resolution on donations to support targeted assistance, consolidated and expanded the results of poverty alleviation and comprehensively assisted in the rural revitalization. Based on the positive performance and good results in environmental, social and governance aspects, the Company was awarded Grade A in the 2023 MSCI ESG rating.

**(IV) Served the People and Protected Consumer Interests**

The Board firmly adhered to the people’s position and made serving the people as the value standard and action guideline of its financial work. The Board guided the management to actively serve small and medium-sized enterprises and people’s livelihood, and improved the mechanism for protecting the rights and interests of financial consumers. The Board reviewed the development plan for inclusive finance for the period of 2023-2025 and resolutions related to the protection of consumers’ rights and interests, listened to information on the work of inclusive finance, the credit plan for inclusive small and micro-enterprises, analysis of the complaint and notification of typical cases, and supervised the rectification and implementation of the problems identified by the audits. The Company was awarded Grade A in the People’s Bank of China’s Consumer Protection Rating for

three consecutive years, and ranked among the top national joint-stock banks in the consumer protection rating of the NFRA, realized “Double Excellence in Supervisory Rating (監管評級雙優)”, “Double Excellence in Complaints Volume (投訴量位雙優)” and “Double Excellence in Education and Publicity (教育宣傳雙優)”.

## **II. PROMOTED STRATEGIC EXECUTION AND INSISTED ON HIGH-QUALITY DEVELOPMENT**

The Board guided the management to further clarify the strategic development ideas, promote the development and transformation, and ensure the balanced and coordinated development in terms of scale, quality and efficiency, in line with the deployment of the Central Financial Work Conference and the Central Economic Work Conference.

### **(I) Clarified the “12345” Strategic Development Ideology**

Under the guidance of the Board, the management optimized the Company’s strategic objectives, tasks and measures for the second two years of the 14th Five-Year Plan in accordance with the mission of constructing a modern financial system with Chinese characteristics, and clearly defined the “12345” strategic development idea to promote the implementation of the strategy: “1” adhering to and strengthening the overall leadership of the Party; “2” serving the real economy and high-quality development; “3” focusing on three North Star Metrics – FPA (Finance Product Aggregate), AUM (Assets Under Management), and GMV (Gross Merchandise Volume), and to guide the three major business segments to provide integrated financial services to customers; “4” building four key business areas including wealth management, integrated services, transaction banking and scene integration by focusing on the “five target areas” of science and technology finance, green finance, inclusive finance, pension finance and digital finance; and “5” implementing the five major capacity enhancement projects, and to practically improve the ability of customer base management, scientific and technological support, risk management, product innovation and aggregation, and team professionalism, in order to realize high-quality development.

### **(II) Promoted a Rolling Transformation of Internal Development**

In the face of a complex and volatile external environment, the Board requested the management to maintain strategic stability and insist on achieve benefits from the market, management and costs, thus promoting a steady transformation of internal development. The Board promoted revenue growth, cost reduction and efficiency enhancement, optimized business strategies, vigorously developed intermediate business, and increased the proportion of middle income, especially green middle income; anchored in the three North Star Metrics, and promoted the optimization of business structure, and the relevant indicators rose steadily. In 2023, the total volume of FPA achieved RMB5 trillion, and the scale of bond underwriting ranked the top; the scale of AUM was RMB2.73 trillion, the scale of wealth management products was RMB1.31 trillion, and the number of private banking customers grew rapidly for four consecutive years; the GMV scale was RMB3.94 trillion, and the interbank sales broke through rapidly.

**(III) Maintained Balanced and Coordinated Development in Terms of Scale, Quality and Efficiency**

In 2023, the Company rooted in the real economy, and achieved steady growth in business scale and operating efficiency in line with expectations. As at the end of 2023, the Company's total assets amounted to RMB6.77 trillion, representing an increase of 7.50% as compared with the end of the previous year, while total liabilities amounted to RMB6.22 trillion, representing an increase of 7.38% as compared with the end of the previous year. In 2023, the Company's operating revenues amounted to RMB145.685 billion, representing a year-on-year decrease of 3.92%, and its net profits amounted to RMB41.076 billion, representing a year-on-year decrease of 8.80%, which was mainly attributable to a year-on-year increase of 2.96% in the provision for impairment loss of assets in order to strengthen the foundation of asset quality control and increase the provisioning efforts.

**III. CONTINUOUSLY PROMOTED TECHNOLOGICAL EMPOWERMENT AND ACCELERATED DIGITAL TRANSFORMATION**

The Board thoroughly implemented the decisions and deployments of the Party Central Committee and the State Council on the construction of a digital China and the development of a digital economy, actively fulfilled the guiding requirements of financial regulatory authorities on the digital transformation of the banking industry, promoted the management to formulate a digital transformation plan and a strategic plan on science and technology, and proactively pushed forward the in-depth integration of business and science and technology, and did a good job in digital finance.

**(I) Strengthened Planning Leadership and Investment in Technology**

The Board reviewed and approved the Digital Transformation Plan (2023-2025) and the Technology Strategic Plan, strengthened the top-level design and promoted the Bank's digital transformation process; and received the annual report on the work of financial technology and the report on data asset management. The Board supported the management to continuously strengthen the investment in technology resources and the construction of a team of technology talents, and approved the investment in new projects for the new generation of core systems. In 2023, the Bank's investment in technology accounted for 3.99% of the operating income, basically unchanged from the previous year; as at the end of 2023, the Bank's technology personnel accounted for 7.74% of the total staff of the Bank.

**(II) Deepened the Construction of Scene Finance**

Against the backdrop of a growing digital economy, scene finance is an important business model for commercial banks to implement digital transformation. The Board guided the management in adhering to the philosophy of "where there is a customer, there is a scene, and finance services extend there", and through the integration of internal and external channels, we created a "one-stop" comprehensive service, and upgraded the "financial + non-financial" full-scene ecosystem. We continued to maintain the advantage of Everbright Cloud Payment as the leading convenient payment platform in China, accelerated the expansion of scenes in key areas such as logistics, housing transactions, out-of-school education and training, and flexible employment, strengthened the

construction and integrated operation of the dual platforms of Mobile Banking and Cloud Payment, enhanced the ability to provide digital, intelligent and convenient services, and constructed an open digital ecosystem.

### **(III) Strengthened In-Depth Integration of Industry and Technology**

The Board guided the management to grasp the “bull nose” of scientific and technological innovation and development, and to deepen the integration of industry and technology in an all-round manner. The Board promoted the implementation of the key projects of the business center, data center and technology center for science and technology strategic planning, and achieved milestones in their construction. We have realized the intelligent and automated approval of online financing products for small and medium-sized enterprises, such as the “Specialized, Refined, Special and New Enterprise Loan (專精特新企業貸)”, completed the commissioning of the integrated business functions of bond funds, currency funds, and RMB lending and borrowing on the integrated management platform for capital trading business, and have completed the construction of an integrated digital service platform for financial institutions.

## **IV. INSISTED ON THE CONCEPT OF STABLE AND PRUDENT RISK MANAGEMENT AND STRENGTHENED INTERNAL CONTROL AND COMPLIANCE MANAGEMENT**

The Board insisted on risk prevention and control as a permanent theme of financial work; strengthened comprehensive risk management and internal control and compliance management; urged the management to develop a bottom-line mentality, strengthened its ability to anticipate, respond to and deal with major risks, and enhanced its ability to compensate for risks.

### **(I) Continuously Enhanced Risk Management Capability**

The Board and the Risk Management Committee reviewed and approved proposals regarding the report on the implementation of risk appetite, the risk appetite setting, the update of the expected credit loss significant model and key parameters, the amendments of the comprehensive risk management policy, the country-specific risk management policy, the consolidated statement management policy, and the formulation of the risk management policy on IT outsourcing; and received the reports on the status of risk management and the business continuity. Adhering to the core concept of business risk management, it guided the management to implement differentiated allocation strategies for industries, regions, products and customers in accordance with the credit and investment policies in 2023, optimized the distribution of resources, and strengthened the financial service support for “specialized, refined, special and new” enterprise and scientific and technological innovation enterprises. We continued to enhance risk management in key areas, strengthened the management of capital closure for real estate development loans and other businesses, and implemented categorized management for key projects; strengthened the risk management of local government financing platform business, and continued to reduce the scale of the hidden debt business; promoted the restructuring of the credit card business model, reduced the scale of the business of high-risk customers, and increased the disposal of non-performing assets; enhanced the risk management of the financial market business and offshore business, and established an offshore risk reporting mechanism and promoted the construction of a market risk measurement engine. In

2023, the overall quality of the Bank's assets remained stable. At the end of 2023, the Company's NPL ratio was 1.25%, remained unchanged from the end of previous year; the provision coverage ratio was 181.27%.

## **(II) Comprehensively Strengthened Internal Control and Compliance Management**

The Board and the Risk Management Committee regularly received reports on internal control compliance and case prevention management, anti-money laundering work and anti-money laundering related audits. The management actively implemented the requirements of the "Year of System Implementation", continuously tracked and monitored changes in external laws and regulations, and regularly re-examined internal rules and systems; focused on key areas of regulatory concern, and strengthened the effectiveness of system implementation; emphasized the "four-party responsibility" for audit and rectification, and made good progress in audit and rectification work; enhanced the quality and effectiveness of case prevention and control management, launched a continuous investigation of abnormal fund transactions by staff; promoted serious and precise accountability, optimized the staff conduct management system; strengthened the compliance risk alert and report management of consolidated companies, and established a long-term mechanism for internal control and compliance management.

## **(III) Strengthened Capital Management**

In order to strengthen capital constraints and further enhance the ability to offset risks, the Board paid attention to capital management, guided the management to strengthen capital limit constraints and change to a "capital-light and refined" operation mode, and strived to achieve a balance between operational development and replenishment of endogenous capital. The Board reviewed and approved the capital adequacy report, capital adequacy management plan and internal capital adequacy assessment report, and motivated the management to actively carry out capital replenishment work. In 2023, the Company successfully completed the conversion of RMB16.9 billion of convertible bonds into shares to replenish its core Tier 1 capital, and issued RMB15.0 billion of Tier 2 capital bonds. The aforesaid capital replenishment effectively supported the sustainable development of the business. As at the end of 2023, the Company's capital adequacy ratio was 13.50%, Tier 1 capital adequacy ratio was 11.36% and core Tier 1 capital adequacy ratio was 9.18%, all of which were higher than those as at the end of the previous year.

## **V. CONTINUOUSLY IMPROVED THE GOVERNANCE SYSTEM AND ACTIVELY ENHANCED THE EFFECTIVENESS OF CORPORATE GOVERNANCE**

In 2023, the Board further improved the governance system from a global, systematic and long-term perspective, actively fulfilled its duties and responsibilities, and continuously enhanced the effectiveness of corporate governance.

### **(I) Continuously Improved the Governance System**

The Board continued to promote the organic integration of the Party's leadership and corporate governance, and continuously improved the governance system in which each party has its own duties and responsibilities, and operates in a coordinated manner with mutual checks and balances. The



overall standardization and effectiveness of corporate governance was continuously enhanced and the institutional foundation was strengthened, and the newly revised Articles of Association were approved by the NFRA. We further revised the Working Rules of Independent Non-executive Directors and the working rules of the special committees of the Board, formulated the Measures for the Management of Major Shareholders' Undertakings, and comprehensively sorted out the key points for the performance of duties by the Board and the Directors. We advanced the selection and appointment of Directors in an orderly manner, and further improved the structure of the Board and special committees in line with the Company's development strategy.

## **(II) All Directors Performed Their Duties and Responsibilities**

In 2023, all Directors performed their duties and responsibilities diligently, and utilized their professional expertise and rich experience to contribute their wisdom and strength to the development of the Company. The Board convened 2 general meetings, at which 16 resolutions were reviewed and 6 reports were received; 9 board meetings, at which 80 resolutions were reviewed and 49 reports were received; 31 meetings of the specialized committees of the Board, at which 73 resolutions were reviewed and 56 reports were received; and 1 meeting of the Chairman of the Board and the independent non-executive directors. Through the above meetings, the Directors made a lot of constructive comments and suggestions to the Board in the areas of strategic leadership, corporate governance, financial technology, risk management, internal control and compliance, development of green finance and inclusive finance, management of related party transactions and protection of consumers' rights and interests, which strongly ensured the scientific decision-making and efficient operation of the Board, and effectively promoted the sustainable and steady development of the Bank's businesses. During the period when the meeting was closed, the non-executive Directors reviewed the relevant documents and visited our branches for investigation, and gained a timely understanding of the regulatory opinions and the Company's strategic execution, business innovation, internal control and auditing, and risk prevention and control.

## **(III) Standardized Exercise of Authorizations**

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 in a timely manner. Besides, the Board exercised its decision-making powers in strict accordance with the rights determined by the Authorization plan of the General Meeting to the Board, and prudently carried out the delegation of authorization to the management. As of the end of 2023, 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. STRENGTHENED THE MANAGEMENT OF SHAREHOLDERS' EQUITY AND ENHANCED THE REVIEW OF RELATED PARTY TRANSACTIONS**

The Board earnestly implemented 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 the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, and continued to strengthen the management of shareholders' equity and enhanced the review of related party transactions.

**(I) Strengthened Shareholders' Equity Management**

The Board continued to improve the management of shareholders' equity. It maintained daily communication with major shareholders, carried out monthly monitoring of shareholders holding more than 1% of the shares and analysis of the top 200 holders of A Shares; carried out the annual assessment of major shareholders and substantial shareholders and submitted the assessment report to the NFRA; institutionalized the management of major shareholders' undertakings and ensured that our major shareholders issued undertakings in accordance with regulatory requirements. In conjunction with the conversion of the Company's convertible bonds, we completed the approval of the qualification of one major shareholder.

**(II) Ensured the Legality and Compliance of 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 are in the interests of the Company and the Shareholders as a whole. In 2023, the Board of Directors considered and approved 12 major related party transactions, and the Related Party Transaction Control Committee filed 75 general related party transactions. The management conducted in-depth special inspections in the field of related party transaction management, comprehensively identified problems in institutions, management, processes, systems and other aspects, continued to optimize the related party transaction monitoring platform system, and continuously improved the level of informatization of related party transaction management.

**VII. CONTINUOUSLY IMPROVED THE QUALITY OF INFORMATION DISCLOSURE AND STRENGTHENED MARKET VALUE MANAGEMENT**

The Board of Directors adhered to the principle of compliance disclosure, improved the level of proactive disclosure, continuously strengthened communication with the capital market, and maintained a good image of the Company in the capital market.

**(I) Improved the Quality of Information Disclosure**

In 2023, the Board of Directors fulfill the statutory information disclosure obligations in accordance with the laws based on the principles of truthfulness, accuracy, timeliness, and completeness, continuously strengthened the information disclosure initiative, optimized and enriched the contents of periodic reports, and continuously improved the quality of information disclosure. The Board of

Directors coordinated and took into account both domestic and overseas regulatory requirements, and disclosed a total of 92 A-shares temporary announcements and 134 H-shares temporary announcements throughout the year. In 2023, the information disclosure of the Company was rated as Class A by the Shanghai Stock Exchange.

## **(II) Enhanced Market Value Management**

In 2023, the management continued to strengthen market value management under the leadership of the Board of Directors, highlighted Everbright characteristics of the Company's stable operation and wealth management transformation and digital transformation, and enhanced investors' recognition of the long-term development logic of the Company. The Company held the annual results presentation, interim results presentation and third quarter results presentation. The management led a team to visit key investment institutions and introduce the Company's operation and investment value. The management held three theme activities of open days: "economic recovery and bank valuation restoration", "financial technology and digital transformation" and "quality enhancement and hard work"; received special research from domestic and foreign investment bank analysts and institutional investors, and participated in online and offline strategy meetings of securities firms; and enhanced interaction and communication with the Shareholders, especially minority Shareholders and investors, through exchanges at general meetings, answering inquiries from domestic and overseas investors, handling inquiry emails and the "SSE e-interaction" platform. The investor relations and market value management of the Company has been recognized by the capital market. The Company was awarded the "Best Practice of 2022 Annual Results Briefings" by the China Association for Public Companies and 2023 Best Listed Company for Investor Relation Management of the Crystal Ball Award by Captial Week.

2024 is the 75th anniversary of the founding of the People's Republic of China and is also a critical year for the implementation of the 14th Five-Year Plan. The Board will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, adhere to the political significance of the financial work and its importance to the interests of the people, insist on serving the real economy and high-quality development as the main line, coordinate development and security, balance development goals among scale, quality and efficiency, endeavor to create stable long-term returns for investors, and create greater value for customers, employees, shareholders, business partners and the general public, so as to build a state-owned joint-stock commercial bank with professionalism, characteristics, influence and competitive edges.

## CHINA EVERBRIGHT BANK COMPANY LIMITED 2023 WORK REPORT OF THE BOARD OF SUPERVISORS

In 2023, the Board of Supervisors of the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and under the leadership of the Party Committee of the head office, with the support of the Board of and senior management, conscientiously fulfilled the supervisory duties assigned by relevant laws and regulations, regulatory requirements and the Articles of Association, solidly carried out various supervisory work, actively promoted organic integration of Party's leadership and corporate governance, and played a positive role in promoting the high-quality development of the Company.

### I. MAJOR TASKS OF THE BOARD OF SUPERVISORS

#### (I) Strengthened Political Guidance and Continuously Standardized the Operation of the Board of Supervisors

The Board of Supervisors insisted on the leadership of the Party, continuously improved the political position of supervision, strictly complied with laws and regulations, supervisory requirements and the requirements of the Articles of Association, and continuously promoted the standardized and efficient operation of the Board of Supervisors.

**Firstly, improved the political position and deepened the connotation of supervision.** Guided by the correct political direction, the Board of Supervisors placed the implementation of central decision-making deployments and regulatory requirements in a prominent position of supervisory. It attached great importance to the Company's response to major national strategies, serving the real economy, developing inclusive finance, promoting green finance and playing a leading role in ESG strategic deployment and decision-making, and carefully studied the optimization and formulation of the Company's development strategic planning. It considered the 2022 Social Responsibility (Environment, Social and Governance) Report, and listened to the work report on green finance and inclusive finance, the inclusive finance development plan, and the report on "sophisticated, refined, distinctive and innovative" enterprises and technology and innovation financial services, which promoted the Company to strengthen financial services and improve quality and efficiency of services. It actively paid attention to the progress of the Company's inspection and rectification, as well as the rectification of problems found during internal and external inspections, listened to the rectification report, and supervised the improvement of rectification quality. It also adhered to the political and people-oriented nature of financial work, organized the Supervisors to visit the social security card joint service point of China Everbright Bank Beihai Branch, and participated in the "2023 Sunshine Consumer Protection As Your Companion" themed financial knowledge education and protection publicity campaign, so as to actively practice the concept of financial services for the people, fulfill social responsibilities and create new highlights in supervision.

**Secondly, convened meetings efficiently and strengthened supervisory reminders.** The Board of Supervisors, in combination with performance needs, convened 6 meetings throughout the year, considered and approved 29 resolutions on the Company's periodic reports, the work report of the Board of Supervisors, the work plan of the Board of Supervisors, the performance evaluation report and internal control evaluation report, etc., and reviewed 63 reports on the Company's operation and

management, strategic implementation and risk management, etc., fully fulfilled its statutory supervisory duties. The special committee of the Board of Supervisors convened 8 meetings, considered 16 resolutions, reviewed 5 reports, and put forward professional suggestions to ensure decision-making and supervision for the Board of Supervisors. The Board of Supervisors strictly followed the corporate governance procedures and successfully completed the resignation of the chairman of the Board of Supervisors and the selection of temporary conveners of the meetings of the Board of Supervisors, ensuring compliance with regulatory requirements. It strengthened prompting efforts and supervisory execution, issued 14 Supervisors' Suggestions Feedback Sheets, and put forward nearly 50 opinions and suggestions around key areas of focus such as strategy execution, business structure optimization, digital transformation and risk management. It has also urged relevant departments in a timely manner to implement feedback and form an effective closed-loop management mechanism.

**Thirdly, conducted daily supervision and strengthened research and analysis.** The Board of Supervisors organized Supervisors to attend 2 Shareholders' general meetings and 20 on-site meetings of the Board and its special committees throughout the year, to focus on the supervision of the legality and compliance of the convening of meetings, the research and decision-making process of major issues, the results of the consideration and voting of resolutions and the implementation of resolutions. Through the attendance of some Supervisors at the meetings of the President's Office and important operation and management meetings, and the attendance of prudential regulatory discussions, etc., the Board of Supervisors kept abreast of the Company's daily operation and management, compliance operation and risk prevention, etc. It strengthened research and analysis, actively carried out aggregation and analysis of monitoring indicator data and related materials on the Company's strategy, finance, risk, internal control and other aspects based on daily supervision and monitoring indicators and industry data, formed supervision and monitoring reports on a quarterly basis, and put forward opinions and suggestions, which further deepened and consolidated supervision work.

**Fourthly, the Supervisors were diligent in duties and their supervisory role has been highlighted.** All members of the Board of Supervisors performed their supervisory duties faithfully and diligently in strict accordance with the regulatory requirements and the Articles of Association, gave full play to their professional expertise and experience in their respective fields, and devoted sufficient time and effort to participate in the supervisory work. The attendance rate of the meetings of the Board of Supervisors was 100%. All Supervisors carefully studied and considered resolutions, exercised voting rights prudently and expressed opinions objectively and fairly. They actively participated in relevant training organized by regulatory authorities, self-regulatory organizations and the Company, strengthened capacity building and improved performance level. The Shareholder Supervisors and external Supervisors engaged in supervisory work for the Company for not less than 15 working days, which complies with relevant regulations. The employee Supervisors regularly reported on their work to the staff representative meeting, truly reflecting the wishes of employees and safeguarding their legitimate rights and interests.

**(II) Focused on the Key Points of Supervision and Continuously Improved the Quality and Efficiency of Supervision**

The Board of Supervisors closely followed the central work of the Bank, focused on key supervisory areas, continuously deepened the contents of supervision, improved the quality and efficiency of supervision, and strengthened the effectiveness of corporate governance supervision.

**In terms of performance supervision**, the Board of Supervisors revised and improved the performance evaluation system in accordance with the latest regulatory requirements, and optimized the implementation plan for performance evaluation. It strengthened daily performance supervision, and continuously paid attention to the performance of the Board, senior management and their members in implementing major decisions and deployments of the Party Central Committee and the State Council, implementing supervisory opinions and rectification requirements, and other aspects. It reviewed and updated regulatory requirements and key performance points, deeply understood the performance of the Board and senior management in key areas such as capital management, liquidity risk management, expected credit loss approach management and reputation risk management, carefully conducted supervision and evaluation, and reflected it in the evaluation report. It adhered to the principles of independence, comprehensiveness and objectivity, and continuously improved the contents of the performance evaluation report. Combined with the performance of the Board and senior management, it recognized achievements and highlights while pointing out existing shortcomings, and put forward targeted opinions and suggestions. It also continuously regulated the evaluation procedures, and orderly promoted self-evaluation, mutual evaluation and comprehensive evaluation. Based on the opinions of regulatory notifications and the evaluation of corporate governance supervision, the Board of Supervisors formed the supervision and evaluation report on duty performance for 2022, and reported to the general meeting of the Company and regulatory authorities, so as to promote the consolidation of the responsibilities of various governance entities and urge the Directors, Supervisors, and senior management to perform their duties diligently and conscientiously.

**In terms of financial supervision**, the Board of Supervisors attached great importance to the impact of external economic environment, accounting standards and new regulations on the Company, carefully reviewed periodic reports, financial budget proposals and profit distribution plans, and listened to reports on the operation and management and the audit results of financial reports. It actively followed up on the implementation of the annual business plan, and proposed to strengthen cost management and control, focus on analyzing and researching interest rate spreads, pay attention to the trend of LPR and its impact on loan repricing, optimize the asset and liability structure, and enhance the ability to create financial resource value. It focused on capital pressure, considered the 2022-2024 Shareholder Returns Plan, capital adequacy ratio management and internal capital adequacy assessment reports, listened to capital adequacy ratio reports and management plans, special audit reports, etc., and proposed suggestions to further improve the lean capital management mechanism, and enhance capital utilization efficiency and return on capital value. Focusing on areas such as expected credit losses and implementation of accounting standards, it strengthened communication with external auditors, and required continuous improvement in the quality of external audits. It also attached great importance to the scientificity and rationality of the remuneration management system, regularly listened to the situation of performance-based remuneration recovery and deduction, performance appraisal and special audit report on

remuneration management, put forward opinions and suggestions, and required full use of remuneration management tools to balance the relationship between the current period and long-term period, and between income and risk.

**In terms of strategic supervision**, the Board of Supervisors continued to pay attention to the formulation and implementation of the Company's development strategy, as well as its effective integration into the overall national development situation, and undertaking of economic and financial policies and regulatory requirements. It regularly listened to reports on the implementation of strategies, recommended the management to increase efforts in the implementation of strategies, improved the mechanism for the implementation of strategies, and strengthened tracking and assessment, to ensure the implementation of all strategic measures. The Board of Supervisors focused on strategic evaluation. Based on the summary of the implementation effectiveness of strategies from 2021 to 2022, it evaluated the scientificity, reasonableness and soundness of the Company's development strategy, provided evaluation opinions, put forward work suggestions, and formed the Development Strategy Evaluation Report for the Years 2021-2022. It focused on the strategic layout and implementation progress of digital transformation, carefully reviewed the Digital Transformation Plan (2023-2025) and the Technology Strategic Plan of the Company, and proposed suggestions such as increasing the proportion of light capital business, strengthening the construction of financial technology capabilities, and gave full play to the comprehensive driving force of digitalization on operation and development.

**In terms of risk supervision**, the Board of Supervisors adhered to the problem-oriented approach, focused on prominent issues and potential risks in operation and development, and continuously promoted the construction of risk management system. By considering recovery and disposal plans, and regularly listening to risk management and liability quality control reports, market risk special audits and audit reports related to risk classification, it comprehensively understood and followed up on the management of various types of risks, emphasized adherence to bottom-line thinking, and strengthened the construction of risk capacity. It continued the supervision on liquidity risk management, money laundering risk management, operational risk management, consolidated statement management and off-balance sheet business management, regularly listened to work reports and special audit reports, effectively supervised the causes and rectification of audit problems, and put forward opinions and suggestions. It attached great importance to the quality of the Company's assets, closely monitored risks in key areas such as credit cards, real estate and government platforms, and proposed to further enhance risk identification, measurement, monitoring and control capabilities, improve the foresight and effectiveness of asset quality control, promote the resolution of non-performing assets and strengthen the management of write-off loans. It also prompted the management to increase risk management efforts and effectively prevented major risks.

**In terms of internal control supervision**, the Board of Supervisors identified problems based on internal and external inspections, paid attention to the weaknesses of the Company's internal control, and incorporates them into the supervision in a timely manner. It considered the annual internal control evaluation report and audit report, and urged the management to follow up on the implementation of subsequent rectification in a timely manner in response to internal control deficiencies identified during inspections, so as to effectively form a closed loop of internal control. It continued the case prevention and employee behavior management, considered the Code of Conduct for Practitioners of the Company, listened to reports on internal control compliance and case

prevention management, and proposed to orderly promote the “Regulation Implementation Year”, carefully review the implementation of the system, strengthen compliance awareness and increase inspection efforts, etc., so as to effectively prevent the occurrence of major cases. It seriously carries out supervision of related party transactions and data governance, strengthened supervision of consumer rights protection, regularly listened to reports on work progress, special audits and analysis of consumer complaints, actively followed up on the implementation and rectification of regulatory opinions, and put forward specific opinions and suggestions on the optimization of products and services, enhancement of complaint management capabilities and other aspects.

### **(III) Strengthened Capacity Building and Continuously Improved the Supervision Mechanism**

The Board of Supervisors actively adapted to new situations and new requirements, strengthened its own construction, innovated methods and approaches, improved work mechanism, and enhanced its ability to perform its duties, so as to lay a solid foundation for the full performance of its supervisory role.

**Firstly, improved institutional construction.** Based on the latest regulatory requirements and actual situation of the Company, the Board of Supervisors revised and improved the Measures of the Board of Supervisors to Supervise and Evaluate Directors’ Duty Performance, focusing on the details of the relevant requirements for the performance evaluation of independent non-executive Directors. It continuously reviewed rules and regulations and regulatory requirements, and updated the “Essentials of Board of Supervisors Duties (2023)” and “Essentials of Supervisors Duties (2023)” to ensure that the Board of Supervisors and the Supervisors perform their duties in an adequate and comprehensive manner. It also guided the Office of the Board of Supervisors to re-inspect departmental rules and regulations, and updated the Management Manual of the Office of the Board of Supervisors (2023) to provide strong guarantee for duty performance of the Board of Supervisors.

**Secondly, ensured the implementation of rectification measures.** The Board of Supervisors adhered to problem-oriented and systematic thinking, carefully reviewed the problems found in internal and external supervision and inspection in recent years, identified deficiencies in systems, processes and other aspects, and established a long-term mechanism, which laid a solid foundation for high-quality supervision. It promoted the implementation of rectification with strict standards, revised relevant performance evaluation methods to address existing problems, improved work implementation plans, updated key points of duty performance, strengthened supervision and implementation, closely monitored the effectiveness of rectification, and consolidated the results of rectification.

**Thirdly, improved the quality and efficiency of investigation and research.** The Board of Supervisors actively implemented the spirit of important instructions and comments of General Secretary Xi Jinping on investigation and research, made good use of the five key words, i.e., “deep, practical, detailed, accurate and effective”, kept the direction of investigation and research, identified the focus of investigation and research, enriched the forms of investigation and research, and emphasized the effectiveness of investigation and research. It conscientiously implemented the Implementation Opinions of the Board of Supervisors on Strengthening and Improving Investigation and Research Work, formulated the Arrangement of Investigation and Research Work of the Board of Supervisors for the Year 2023, and scientifically coordinated the arrangement of investigation and



research throughout the year. It conducted 3 thematic surveys throughout the year, covering 5 domestic and overseas branches. Through various methods such as holding conversations, inspecting business outlets, visiting enterprises, talking to cadres and employees, and reviewing data, the Board of Supervisors listened to the views of the grassroots and gained an in-depth understanding of learning and implementation of the spirit of the 20th National Congress of the CPC, serving the real economy, compliant operation and risk resolution, implementation of strategies as well as operation and management of branches. It also exchanged advanced experience and excellent practices in corporate governance, risk prevention and other aspects with international financial peers, and explored space for cooperation. Based on the research situation and the problems and difficulties raised by branches, and by adhering to the principle of answering the same questions together and coordinating up and down, the Board of Supervisors issued 6 Research Suggestions Feedback Sheets and urged relevant departments of the head office to give feedback. It also continuously strengthened the tracking of research results and effectiveness, summarized and extracted good experience and practices, consolidated research results, and effectively transformed research results into practical measures to promote development.

**Fourthly, innovated the working mechanism.** The Board of Supervisors actively promoted the daily information reporting mechanism, reviewed nearly 50 materials including the “Submission of Office of the Board of Supervisors”, the Board of Supervisors Information Communication and the Learning Newsletter of the Board of Directors and the Board of Supervisors throughout the year, and timely grasped the internal and external supervision information. It strengthened the performance security, formulated the work guidelines, established and improved the relevant meeting support, material inspection and other working mechanisms, making sure that they could obtain the required management information in the course of performance, and fully exert the performance effectiveness. It strengthened the supervision of major matters, collected the information related to major matters on a quarterly basis, focused on the decision-making process and resolution implementation of major matters, as well as compliance operation and risk prevention and other fields, formed reports on major matters, and put forward management recommendations. It also held a symposium with accounting firms, focused on the audit of financial reports, conducted in-depth exchanges on liquidity risks, expected credit losses and the implementation of accounting standards, and proactively explored and innovated new forms of financial supervision.

## **II. PERFORMANCE SUPERVISION ASSESSMENT OPINIONS ON THE BOARD OF DIRECTORS, THE BOARD OF SUPERVISORS, SENIOR MANAGEMENT AND THEIR MEMBERS FOR THE YEAR 2023**

### **(I) Performance Supervision Assessment Opinions on the Board of Directors and Directors**

In accordance with regulatory requirements, the Board of Supervisors organized and carried out the performance supervision assessment on the Board of Directors and the Directors for the year 2023. The Board of Supervisors is of the opinion that: the Board of Directors was able to comprehensively implement the spirits of the 20th National Congress of the CPC, the 2nd Plenary Session of the 20th Central Committee, unswervingly carried out the requirements of the Central Economic Work Conference and the Central Financial Work Conference, take serving the real economy as the fundamental purpose, initiatively perform the responsibilities as a state-owned enterprise; diligently performed the duties, constantly advanced the organic integration of the Party’s leadership and the

corporate governance, continuously improved the effectiveness and ability of the corporate governance and perfected the governance system; optimized the development strategies, guided the management to clarify the “12345” strategic development concept, maintained the strategic positioning and promoted the connotative development transformation; continued to enhance the risk management and internal control, and actively performed duties in shareholders’ equity and related party transaction management, capital management, consolidated statement management, data governance, information disclosure, money laundering risk management, employee behavior management, off-balance sheet business management, operational risk management and consumer rights protection. All Directors were able to legally and compliantly exercise their rights, and diligently and dutifully perform their obligations. Both of their attendance at meetings and working hours complied with regulatory requirements.

## **(II) Performance Supervision Assessment Opinions on the Board of Supervisors and Supervisors**

In accordance with regulatory requirements, the Board of Supervisors organized and carried out the performance supervision assessment on the Supervisors for the year 2023, and conducted self-evaluation of its own performance. The Board of Supervisors is of the opinion that: the Board of Supervisors was able to continuously raise up the political positioning, proactively promoted the organic integration of the Party’s leadership and the corporate governance; strictly abided by the laws, regulations, regulatory requirements and provisions of the Articles of Association, continuously improved the meeting quality and efficiency, and regulate the high-efficient operation; focused on key supervision fields including performance, finance, strategy, risk and internal control. The Board of Supervisors firmly conducted various supervision works and performed supervisory duties in an efficient manner; adhered to the problem orientation, innovated the ways and methods, continuously perfected the supervision work mechanism, improved the quality and efficiency of supervision, and played an active role in promoting the Company to further improve corporate governance and promote high-quality development. 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.

## **(III) Performance Supervision Assessment Opinions on Senior Management and Its Members**

In accordance with regulatory requirements, the Board of Supervisors organized and carried out the performance supervision assessment on the senior management and its members for the year 2023. The Board of Supervisors is of the opinion that: the senior management was able to actively practice the political and people-oriented nature of financial work, conscientiously implemented the central decisions and deployments, adhered to the general tone of seeking progress while maintaining stability, conscientiously conducted the themed education, proactively served the real economy, and comprehensively pushed ahead the high-quality development; coordinated development and security, constantly strengthened the comprehensive risk management and internal control compliance management, earnestly reinforced the risk identification, evaluation, monitoring and control abilities; and played an active role in related party transaction management, data governance, consolidated statement management, information disclosure, money laundering risk management, off-balance sheet business management, operational risk management, employee behavior management

and consumer rights protection, etc. All members of senior management were able to earnestly follow 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.

#### **(IV) Evaluation Opinions on Performance in Key Supervision Areas**

In accordance with regulatory requirements, the Board of Supervisors put forward the following supervision and evaluation opinions on the performance of the Board of Directors and senior management in key supervision areas:

**In terms of liquidity risk management**, the Board of Directors and senior management have been able to strictly implement regulatory requirements and relevant regulations and actively perform their duties. They adhered to the concept of prudent liquidity risk management and kept abreast of the Company's liquidity risk level and management status. They implemented initiative liquidity management strategies, actively responded to the operational environment challenges and carried out prospective research and strategic planning. They adhered to the bottom line of liquidity risk, intensified the market-oriented liability absorption, and maintained a sound balance among the liquidity, security and benefit. In 2023, the liquidity risk indicators of the Company complied with regulatory requirements.

**In terms of capital management**, the Board of Directors and senior management have been able to strictly implement regulatory requirements and relevant regulations and actively perform their duties. They strengthened the capital constraints, actively promoted the transformation to the "light capital and refined" business mode, and attached close importance to the balance between business development and endogenous capital replenishment. They proactively carried out the capital replenishment work, successfully realized RMB16.9 billion of conversion of convertible bonds into shares, and issued RMB15 billion of tier-2 capital bonds, with capital base strengthening. By the end of 2023, the Company's capital adequacy ratio was 13.50%, the tier-1 capital adequacy ratio was 11.36% and the core tier-1 capital adequacy ratio was 9.18%, all of which met the regulatory requirements.

**In terms of reputation risk management**, the Board of Directors and senior management have been able to strictly implement regulatory requirements and relevant regulations and actively perform their duties. They, with the general goal of safeguarding the reputational stability of the Bank and following the principle of full coverage of reputation risk, kept abreast of the reputation risk situation in a timely and comprehensive manner, continuously optimized and improved the reputation risk management mechanism, enhanced the reputation risk response capability and management level. They continuously reinforced the daily monitoring of online public opinion and the regular inspection of reputation risk hidden danger, and effectively prevented potential reputation risks. In 2023, the Company did not experience any material reputational risk events that seriously damaged the reputation of the Bank.

**In terms of operational risk management**, the Board of Directors and senior management have been able to strictly implement regulatory requirements and relevant regulations and actively perform their duties. They earnestly implemented the relevant provisions of new regulations on capital

management, optimized the implementation plan, and improved the operational risk management system. They reviewed the key risk indicators of operational risk, strengthened the dynamic identification and monitoring of operational risk management, and continued to executed the risk prevention, problem tracking, risk disposal and rectification work.

**In terms of expected credit loss approach management**, the Board of Directors and senior management have been able to strictly implement regulatory requirements and relevant regulations and actively perform their duties. They stringently reviewed the updating of important models and key parameters of the expected credit losses of the first half and second half of 2023, and actively promoted the implementation of expected credit loss approach to internal audit effectiveness, external audit quality and information disclosure transparency review. They effectively promoted the organization and implementation of the expected credit loss approach, enhanced the monitoring, validation and optimization of models, and continuously improved the management level of the expected credit loss approach.

**In terms of stress testing management**, the Board of Directors and senior management have been able to strictly implement regulatory requirements and relevant regulations and actively perform their duties. They continued to improve the stress testing management system, paid high attention to the key assumptions, results and impacts of stress testing, timely monitored the risk mitigation effects of improvement measures, and continuously perfected the stress scenarios and parameters setting. They regularly organized stress testing, optimized management processes, and continuously standardized the stress testing management work, and constantly improved the stress testing application level.

### 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 Shareholders 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 reflects the operation management and financial situation of the Company. The preparation of the reports and the review procedures thereof complied with the laws, regulations, regulatory requirements, the Articles of Association and the provision of internal management systems of the Company. No behavior of personnel who participated in preparation and review was found in breach of the confidential provisions.

**(III) Acquisition and Disposal of Assets of the Company**

The Board of Supervisors was not aware of any action in the Company's acquisition or disposal 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 earnestly implemented the relevant resolutions of the general meetings.

**(VI) Internal Control**

The Board of Supervisors considered the 2023 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 2023 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.

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China and is a crucial year for the implementation of the "14th Five-Year" Plan. The Board of Supervisors will continue to adhere to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era, comprehensively implemented the spirits of the Central Financial Work Conference and the Central Economic Work Conference, focus on the strategic planning and central work of the Company, earnestly perform the supervision duties, continuously improve the supervision quality and efficiency, support the Company for building a state-owned joint stock commercial bank with professionalism, uniqueness, influence and competitiveness, going through the financial development with Chinese characteristics.

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## NOTICE OF THE 2023 ANNUAL GENERAL MEETING

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中國光大銀行股份有限公司

### China Everbright Bank Company Limited

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

**(Stock code: 6818)**

## NOTICE OF THE 2023 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 annual general meeting (the “AGM”) of China Everbright Bank Company Limited (the “Company”) will be held at the conference room of 3rd Floor, Tower A, China Everbright Center, No. 25 Taipingqiao Avenue, Xicheng District, Beijing, the PRC on Thursday, 27 June 2024 at 9:30 a.m. to consider and, if thought fit, to pass the following resolutions:

### ORDINARY RESOLUTIONS

1. The 2023 work report of the Board of Directors of China Everbright Bank Company Limited
2. The 2023 work report of the Board of Supervisors of China Everbright Bank Company Limited
3. The resolution on the budget of fixed asset investment of China Everbright Bank Company Limited for the year 2024
4. Audited accounts report of China Everbright Bank Company Limited for the year 2023
5. Profit distribution plan of China Everbright Bank Company Limited for the year 2023
6. The resolution on the appointment of accounting firms for the year 2024
7. The resolution on the remuneration of the Directors of China Everbright Bank Company Limited for the year 2023
8. The resolution on the remuneration of the Supervisors of China Everbright Bank Company Limited for the years 2022-2023
9. The resolution on donations for supporting designated assistance of China Everbright Bank Company Limited

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## NOTICE OF THE 2023 ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTION

10. The resolution on the issuance plan of capital bonds and related authorizations of China Everbright Bank Company Limited

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

Beijing, the PRC  
6 June 2024

*As at the date of this notice, the Executive Director of the Company is Mr. Qu Liang; the Non-executive Directors are Mr. Wu Lijun, Mr. Cui Yong, Mr. Yao Wei, Mr. Zhu Wenhui and Mr. Li Wei; and the Independent Non-executive Directors are Mr. Shao Ruiqing, Mr. Hong Yongmiao, Mr. Li Yinquan, Mr. Liu Shiping and Mr. Huang Zhiling.*

*Notes:*

- (1) For further details on each of the resolutions, please refer to the circular of the Company dated 6 June 2024.
- (2) **Closure of register of members and eligibility for attending the AGM**

Holders of H shares of the Company (“H Shares”) are advised that the register of members will be closed from Monday, 24 June 2024 to Thursday, 27 June 2024 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong on Thursday, 27 June 2024 are entitled to attend and vote at the AGM.

Holders of H Shares who wish to attend the AGM but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 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, 21 June 2024.

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

The Board of Directors of the Company has recommended a dividend of RMB1.73 (before tax) for every 10 shares for the year ended 31 December 2023. Based on the Company’s issued shares of 59.086 billion shares as of the disclosure date of the 2023 annual report, the total cash dividends amount to RMB10.222 billion, accounting for 25.06% of net profit attributable to the Company’s shareholders in the consolidated statements, and accounting for 28.41% of the net profit attributable to the Company’s ordinary shareholders in the consolidated statements. If such dividend is declared by the shareholders passing the item 5 of the ordinary resolutions, it will be distributed to shareholders whose names appear on the register of members of the Company on Tuesday, 9 July 2024. The register of members of H Shares will be closed from Thursday, 4 July 2024 to Tuesday, 9 July 2024 (both days inclusive). In order to be entitled to the dividend, holders of H Shares who have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong at or before 4:30 p.m. on Wednesday, 3 July 2024.

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## NOTICE OF THE 2023 ANNUAL GENERAL MEETING

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**(4) Proxy**

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

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

To be valid, the proxy form together with the power of attorney or other authorisation document (if any) must be lodged at the H Share Registrar of the Company by hand or by post not less than 24 hours before the time fixed (i.e. not later than 9:30 a.m. on Wednesday, 26 June 2024) for holding the AGM or any adjournment thereof (as the case may be) by holders of H Shares. The H Share Registrar of the Company is Computershare Hong Kong Investor Services Limited, whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the AGM if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

**(5) Reply slip**

Shareholders who intend to attend the AGM in person or by proxy should return the reply slip by hand or by post to the Company's Board of Directors' Office or Computershare Hong Kong Investor Services Limited on or before Thursday, 20 June 2024. The Company's Board of Directors' Office is located at Room 1015, Tower A, China Everbright Center, No. 25 Taipingqiao Avenue, Xicheng District, Beijing, the PRC (Tel: (86 10) 6363 6388, Fax: (86 10) 6363 9066). The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555, Fax: (852) 2865 0990).

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

**(7) Other issues**

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

Registration for admission to the AGM will take place from 9:00 a.m. to 11:30 a.m. and 1:30 p.m. to 5:00 p.m. on Thursday, 20 June 2024 at the Company's Board of Directors' Office. Shareholders (in person or by proxy) attending the AGM who have not registered for admission to the AGM during the aforementioned periods in this paragraph shall register for admission at the venue of the AGM on the date of the AGM and produce their identification documents.

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