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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)**

**CONTINUING CONNECTED TRANSACTION  
APPROVAL OF BOND UNDERWRITING AMOUNT  
FOR CONNECTED LEGAL PERSON**

On 6 September 2019, the Company entered into the Agreement with Everbright Group, pursuant to which, the Company agreed to approve the bond underwriting amount of RMB5 billion to Everbright Group. The underwriting amount is based on the balance management system and is valid for two years with an annual balance cap of RMB5 billion. The annual cap of the underwriting fee is RMB90 million.

As at the date of this announcement, Everbright Group holds 15,221,827,402 Shares of the Company, representing approximately 29% of the issued share capital of the Company, and is a substantial shareholder of the Company, and therefore is a connected person of the Company. Accordingly, in accordance with the provisions under Chapter 14A of the Listing Rules, the entering into of the Agreement constitutes a continuing connected transaction of the Company. As one or more of the applicable percentage ratios in respect of the transactions under the Agreement exceed 0.1% but are less than 5%, the entering into of the Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement.

**I. INTRODUCTION**

On 6 September 2019, the Company entered into the Agreement with Everbright Group, pursuant to which, the Company agreed to approve the bond underwriting amount of RMB5 billion to Everbright Group. The underwriting amount is based on the balance management system and is valid for two years with an annual balance cap of RMB5 billion. The annual cap of the underwriting fee is RMB90 million.

## **II. THE AGREEMENT**

The principal terms of the Agreement are summarized as follows:

### **1. Date**

6 September 2019

### **2. Parties**

(1) the Company; and

(2) Everbright Group.

### **3. Duration**

Two years commencing from 6 September 2019 and ending on 6 September 2021 (both inclusive).

### **4. Nature of Transaction**

The bond underwriting amount of RMB5 billion approved for Everbright Group is used by the Company as the lead underwriter to underwrite the bonds issued by Everbright Group in the form of stand-by underwriting. When the bonds are not fully sold, the unsold bonds balances can be subscribed according to the underwriting agreement and the relevant regulations of the Company.

### **5. Principal Terms**

The Company agreed to approve the bond underwriting amount of RMB5 billion to Everbright Group. The underwriting amount is based on the balance management system and is valid for two years with an annual balance cap of RMB5 billion. The annual cap of the underwriting fee is RMB90 million. The issuance factors such as the current underwriting coupon rate under the business will be applied in accordance with the current underwriting approval process, and the guarantee form of the business is credit.

### **6. Pricing Policy**

Since 2019, when the Company as the lead underwriter underwrites the bonds of comparable independent third parties in the form of stand-by underwriting, the purchase price of stand-by underwriting shall follow the principle of fair price. The Company will also implement stand-by underwriting for Everbright Group within the amount of RMB5 billion according to the principle of fair price, and the purchase price shall be no less favourable than that of the bonds with similar terms underwritten by the Company for

comparable independent third parties of the same period. The transactions contemplated under the Agreement shall be conducted on normal commercial terms and the rates shall be no less favourable than the rates charged by the Company to the independent third parties for comparable transactions. The annual cap of the underwriting fee is RMB90 million.

### **III. ANNUAL CAPS AND BASIS OF DETERMINATION**

Everbright Group is a stock credit customer of the Company, and has cooperated with the Company for a long time. As of the date of this announcement, the credit balance of Everbright Group with the Company was RMB730 million.

The National Association of Securities Dealers has approved the registration amount of RMB8 billion medium-term notes and RMB20 billion super short-term commercial papers to Everbright Group. The registration amount of super short-term commercial papers can be recycled within the validity period. As of 8 August 2019, Everbright Group has issued the medium-term notes and super short-term commercial papers of RMB16.5 billion in aggregate, the remaining registration amount of medium-term notes was RMB3 billion, and the remaining registration amount of super short-term commercial papers was RMB14 billion.

In consideration of the future financing needs of Everbright Group, the Company intends to approve the underwriting amount of RMB5 billion to Everbright Group. The underwriting amount is based on the balance management system and is valid for two years with an annual balance cap of RMB5 billion. According to the Administrative Measures of Stand-by Underwriting Account issued by the Company, the holding period of a single bond shall be not more than 6 months, and the underwriting amount of RMB5 billion can meet the Company's need for stand-by underwriting of Everbright Group.

### **IV. REASONS FOR AND BENEFITS OF APPROVING THE BOND UNDERWRITING AMOUNT**

In recent years, debt financing instrument has become an important method for all banks to serve customers, and also an important starting point to realize comprehensive financial services marketing. Banks meet the financing needs of enterprises through bond underwriting business, thereby driving comprehensive financial services such as deposits and settlements, promoting customer marketing, improving customer stickiness and enhancing comprehensive income. At present, large central enterprises have stricter control over bond financing costs. Since 2019, the liquidity of banking system is reasonable and sufficient, and the bond rates are in a downward trend generally. The interest rates of debt financing instruments issued by the high-qualified issuers continue to fall, and the lead underwriters generally issue bonds through stand-by underwriting according to the underwriting agreement.

The bond underwriting amount of RMB5 billion approved for Everbright Group is used by the Company as the lead underwriter to underwrite the bonds issued by Everbright Group in the form of stand-by underwriting. When the bonds are not fully sold, the unsold bonds balances can be subscribed according to the underwriting agreement and the relevant regulations of the Company.

The transactions contemplated under the Agreement are the normal business of the Company and have no material impact on the normal operating activities and financial position of the Company.

## **V. OPINIONS OF THE BOARD**

The Directors, including the independent non-executive Directors, are of the opinion that the terms and annual caps of the transactions contemplated under the Agreement are conducted on normal commercial terms or better, in the usual course of business of the Company and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

The Board has considered and approved the resolution regarding the continuing connected transaction. Mr. Li Xiaopeng, Mr. Ge Haijiao, Mr. Cai Yunge, Mr. Shi Yongyan and Mr. Wang Xiaolin have abstained from voting on the Board resolution approving the transaction. Save as mentioned above, none of the other Directors has material interest in the matter and hence no other Directors has abstained from voting on such Board resolution.

## **VI. IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Everbright Group holds 15,221,827,402 Shares of the Company, representing approximately 29% of the issued share capital of the Company, and is a substantial shareholder of the Company, and therefore is a connected person of the Company. Accordingly, in accordance with the provisions under Chapter 14A of the Listing Rules, the entering into of the Agreement constitutes a continuing connected transaction of the Company. As one or more of the applicable percentage ratios in respect of the transactions under the Agreement exceed 0.1% but are less than 5%, the entering into of the Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement.

## **VII. GENERAL INFORMATION**

The Company is a joint stock company incorporated in the PRC, and one of the major commercial banks in the PRC mainly engaged in commercial banking operations, including retail banking, corporate banking and treasury operations.

Everbright Group was established on 12 November 1990. Its substantial shareholders are Central Huijin Investment Ltd. and the Ministry of Finance. It is a financial conglomerate mainly engaged in investment and management operations of banks, securities companies, insurance companies and other financial institutions.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms 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 limited company incorporated in the PRC, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (stock code: 6818) and the Shanghai Stock Exchange (stock code: 601818), respectively |
| “Board”            | the board of Directors of the Company  |
| “Director(s)”      | director (s) of the Company  |
| “Everbright Group” | China Everbright Group Limited (中國光大集團股份公司), a joint stock company incorporated under the laws of the PRC, a substantial shareholder of the Company  |
| “Agreement”        | The agreement dated 6 September 2019 entered into between the Company and Everbright Group in relation to the cooperation on bond underwriting   |
| “Hong Kong”        | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Stock Exchange”   | The Stock Exchange of Hong Kong Limited  |
| “Listing Rules”    | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited   |
| “RMB”              | the lawful currency of the PRC   |
| “%”                | per cent   |

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

Beijing, the PRC  
6 September 2019

*As at the date of this announcement, the Executive Director of the Company is Mr. Ge Haijiao; the Non-executive Directors of the Company are Mr. Li Xiaopeng, Mr. Cai Yunge, Mr. Shi Yongyan, Mr. Wang Xiaolin and Mr. He Haibin; and the Independent Non-executive Directors are Mr. Qiao Zhimin, Ms. Fok Oi Ling Catherine, Mr. Xu Hongcai, Mr. Feng Lun, Mr. Wang Liguu and Mr. Shao Ruiqing.*