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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)

**CONNECTED TRANSACTION
ENTERING INTO THE FINANCE LEASE AGREEMENT WITH
CONNECTED PERSON**

The Board announces that, on 25 May 2020, Everbright Financial Leasing (as the Lessor) entered into the Finance Lease Agreement with the Lessee, pursuant to which (i) the Lessor has acquired the Leased Assets from the Lessee at a consideration of RMB300,000,000, and (ii) the Lessor has agreed to lease the Leased Assets to the Lessee with the lease period of five years and the total rent of approximately RMB346,067,777, of which the lease principal is RMB300,000,000 and the total lease interest is approximately RMB46,067,777.

As of the date of this announcement, Everbright Group is a substantial shareholder of the Company, and Everbright Group consolidates the financial statements of China CYTS Tours Holding Co., Ltd. Therefore, China CYTS Tours Holding Co., Ltd. is regarded as a subsidiary of Everbright Group and is an associate of Everbright Group. As China CYTS Tours Holding Co., Ltd. holds 30.97% equity interests in the Lessee, the Lessee is a connected person of the Company according to Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Finance Lease Agreement entered into between Everbright Financial Leasing and the Lessee constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transaction contemplated under the Finance Lease Agreement is more than 0.1% but less than 5%, the transaction is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

I. INTRODUCTION

The Board announces that, on 25 May 2020, Everbright Financial Leasing (as the Lessor) entered into the Finance Lease Agreement with the Lessee, pursuant to which (i) the Lessor has acquired the Leased Assets from the Lessee at a consideration of RMB300,000,000, and (ii) the

Lessor has agreed to lease the Leased Assets to the Lessee with the lease period of five years and the total rent of approximately RMB346,067,777, of which the lease principal is RMB300,000,000 and the total lease interest is approximately RMB46,067,777.

II. FINANCE LEASE AGREEMENT

Details of the Finance Lease Agreement are summarized as follows:

1. Date

25 May 2020

2. Parties

“Lessor”: Everbright Financial Leasing

“Lessee”: Beijing Gubei Water Town Travel Co., Ltd.*

3. Leased Assets

The Leased Assets are the equipment and facilities located in a scenic area in Beijing, the PRC, with a valuation of approximately RMB304 million and net book value of approximately RMB360 million. The original book value for the Lessee to purchase the Leased Assets is approximately RMB360 million. For the two years ended 31 December 2018 and 2019, the pre-tax profits of the Leased Assets were RMB9.8 million and RMB10.0 million, respectively, and the after-tax profits were RMB8.526 million and RMB8.70 million, respectively.

4. Lease Period

Five years (since 28 May 2020)

5. Rent and Method of Payment

Pursuant to the Finance Lease Agreement, the Lessor agreed to lease back the Leased Assets to the Lessee. The rent comprises lease principal and lease interest. The lease principal shall be same as the transfer consideration, totaling RMB300,000,000. Lease interest is calculated according to the floating interest rate model, that is, adjustments shall be made on the same date of every 12 months from the commencement date of the lease, and new leasing rate shall be implemented based on the LPR of the same period most recently announced by the National Interbank Center as the corresponding interest rate and the increase or decrease points agreed by both parties. The total interest of the lease during the lease period amounts to approximately RMB46,067,777. The rent is paid quarterly in RMB. The rent shall be paid on the 15th of the last month of each period.

Among them, the first year is exempt from repayment of principal, but only interest shall be repaid, and from the second year onwards, the principal and interest shall be repaid in equal amounts on a quarterly basis.

6. Leased Assets and Their Ownership

The Lessee has agreed to transfer and/or change the registration of the Leased Assets under the name of the Lessor during the lease period at a consideration of totaling RMB300,000,000. The consideration will be paid in a lump sum by the Lessor's self-owned funds and/or financing. At the same time, the Lessor has agreed to lease back the Leased Assets to the Lessee. The Lessee is entitled to the possession, usage and benefits of such assets. Upon expiration of the lease period, the Lessee may purchase back Leased Assets from the Lessor at a consideration of RMB100 in nominal value.

7. Guarantee

Beijing Gubei Water Town Travel Co., Ltd.* (北京古北水鎮旅遊有限公司), a wholly-owned subsidiary of the Lessee, provided the Lessee with a joint liability guarantee.

8. Handling Fee

The Lessee agreed to pay the Lessor the one-off lease handling fee of RMB15,000,000 prior to the lease period, representing 5% of the transfer consideration for the Leased Assets.

9. Basis of Determination

The terms of the Finance Lease Agreement, including the transfer consideration for the Leased Assets, lease principal, lease interest, lease handling fee and other expenses under the Finance Lease Agreement were determined upon arm's length negotiation between the Lessee and the Lessor with reference to the prevailing market prices of finance lease of the comparable assets of the Leased Assets, based on the Lessor's own financing cost combining with profitability requirements, and determined on terms no less favourable than those offered by the independent third party. Lessor's financing costs are affected by monetary policy, interbank borrowing and debt issuance costs.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENT

The Finance Lease Agreement is entered into by the Group during its ordinary and usual course of business. The main business of the Lessor is finance leasing. Entering into the Finance Lease Agreement between the Lessor and the Lessee is beneficial to increase the revenue from the finance lease business of the Group and meets the business development needs of both parties.

IV. OPINIONS OF THE BOARD

The Directors, including the independent non-executive Directors, are of the opinion that the terms of the Finance Lease Agreement are conducted on normal commercial terms or better, in the usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Board has considered and approved the resolution regarding the finance lease transaction. Li Xiaopeng, Wu Lijun, Liu Jin, Cai Yunge, Lu Hong, Wang Xiaolin, Shi Yongyan and Dou Hongquan, all are Directors, 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 Director has abstained from voting on such Board resolution.

V. IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, Everbright Group is a substantial shareholder of the Company, and Everbright Group consolidates the financial statements of China CYTS Tours Holding Co., Ltd. Therefore, China CYTS Tours Holding Co., Ltd. is regarded as a subsidiary of Everbright Group and is an associate of Everbright Group. As China CYTS Tours Holding Co., Ltd. holds 30.97% equity interests in the Lessee, the Lessee is a connected person of the Company according to Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Finance Lease Agreement entered into between Everbright Financial Leasing and the Lessee constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transaction contemplated under the Finance Lease Agreement is more than 0.1% but less than 5%, the transaction is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

VI. GENERAL INFORMATION

The Lessor is a joint stock company incorporated in the PRC on 19 May 2010 and its registered address is Hubei province, the PRC. Its principal businesses are finance leasing and transferring and receiving the transfer of financial leasing assets.

The Lessee is a limited liability company incorporated in the PRC on 16 July 2010 and located in Beijing, the PRC. Its principal business is the operation of tourist attractions and hotels in Gubei Water Town.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of directors of the Company
“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 and the H shares and A shares of which are listed on the Hong Kong Stock Exchange (stock code: 6818) and the Shanghai Stock Exchange (stock code: 601818), respectively
“Director(s)”	the 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
“Everbright Financial Leasing” or “Lessor”	Everbright Financial Leasing Co., Ltd.* (光大金融租賃股份有限公司), a joint stock company incorporated under the laws of the PRC, whose ultimate beneficial owner is the State Council of China. As of the date of this announcement, the Company holds its 90% equity interests
“Finance Lease Agreement”	the Finance Lease Agreement dated 25 May 2020 between the Lessor and the Lessee
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Leased Assets”	the equipment and facilities in a scenic area located in Beijing, the PRC
“Lessee”	Beijing Gubei Water Town Travel Co., Ltd.* (北京古北水鎮旅遊有限公司), a limited liability company established in the PRC on 16 July 2010, whose ultimate beneficial owner is the State Council of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Beijing, the PRC
25 May 2020

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