

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
IN RELATION TO
ENTERING INTO THE AIRCRAFT SALE AND
PURCHASE AGREEMENTS WITH CONNECTED PERSON**

On 9 April 2021 (after trading hours), Everbright Financial Leasing through its two wholly-owned special purpose vehicles (as the Purchaser) entered into the Aircraft Sale and Purchase Agreements with the Vendor through its two wholly-owned special purpose vehicles, pursuant to which, the Vendor agreed to transfer the ownership of the Subject of Transfer under the Aircraft Sale and Purchase Agreements together with relevant leasing rights and obligations to Everbright Financial Leasing and Everbright Financial Leasing agreed to purchase the Subject of Transfer together with relevant leasing rights and obligations.

As of the date of this announcement, Everbright Group is a controlling shareholder of the Company. Everbright Group is the sole shareholder of CE Hong Kong, which is an indirectly controlling shareholder of CE Limited through indirectly holding approximately 49.74% equity interests in CE Limited, which indirectly holds approximately 37.11% equity interests of CALC. Since CE Hong Kong indirectly controls and has great influence on CE Limited, CE Limited is considered as the subsidiary of CE Hong Kong. Therefore, CALC is an associate of Everbright Group. As Everbright Group is a controlling shareholder of the Company, CALC constitutes the connected person of the Company. Accordingly, the Aircraft Sale and Purchase Agreements and the transactions contemplated thereunder entered into between Everbright Financial Leasing and the Vendor shall constitute connected transactions for 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 transactions contemplated under the Aircraft Sale and Purchase Agreements is more than 0.1% but less than 5%, the transactions are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) Rules 14.58(4) and 14.58(7) of the Listing Rules requiring disclosure of the aggregate value of the consideration and net profits attributable to the assets; (ii) Rule 14.58(6) of the Listing Rules requiring disclosure of the net book value of the Subject of Transfer; and (iii) Rule 14A.68(5) of the Listing Rules requiring disclosure of initial cost of the Subject of Transfer originally purchased by the Vendor.

I. INTRODUCTION

On 9 April 2021, Everbright Financial Leasing through its two wholly-owned special purpose vehicles (as the Purchaser) entered into the Aircraft Sale and Purchase Agreements with the Vendor (through its two wholly-owned special purpose vehicles), pursuant to which the Vendor agreed to transfer the ownership of the Subject of Transfer under the Aircraft Sale and Purchase Agreements together with rights and obligations under the Lease Agreements to Everbright Financial Leasing and Everbright Financial Leasing agreed to purchase the Subject of Transfer together with rights and obligations under the Lease Agreements.

II. AIRCRAFT SALE AND PURCHASE AGREEMENTS

The details of the Aircraft Sale and Purchase Agreements are summarized as follows:

1. Date

9 April 2021

2. Parties

“Purchaser”: Everbright Financial Leasing (through its two wholly owned special purpose vehicles, namely Guangrong No. 9 (Tianjin) Aviation Leasing Co., Limited (光融九號(天津)航空租賃有限公司) and Guangrong No. 10 (Tianjin) Aviation Leasing Co., Limited (光融十號(天津)航空租賃有限公司)).

“Vendor”: CALC (through its two wholly-owned special purpose vehicles, namely ZJ Jianlong Leasing (Tianjin) CO., LTD. (中機建隆租賃(天津)有限公司) and ZJ Kaiming Leasing (Tianjin) CO., LTD. (中機開明租賃(天津)有限公司)).

3. Subject of Transfer

The Subject of Transfer comprises of the ownership of two Airbus A320 aircraft together with relevant leasing rights and obligations.

4. Consideration

The Company is subject to confidentiality obligation, pursuant to which, the terms of the Aircraft Sale and Purchase Agreements shall not be disclosed to any third party unless the Vendor agrees in writing. In terms of the Company's compliance with the disclosure obligations generally provided in Chapter 14 of the Listing Rules, the Company has obtained the Vendor's prior written consent to disclose the terms of the Aircraft Sale and Purchase Agreements except the transaction consideration.

The Company has no access to the net book value of the Subject of Transfer, and the net profit attributable to the Subject of Transfer for the two financial years immediately preceding the transaction and the original cost of the Vendor's initial purchase of the Subject of Transfer (collectively, the "**Historical Details**"). The Historical Details are commercial sensitive and not available to the Company.

Moreover, when assessing the purchase terms of the Subject of Transfer, the Company mainly used the Market Appraised Value, the internal return rate, the historical similar transactions of the Group and the prevailing market practice in the aviation industry as reference without any of the Historical Details.

The Company is of the opinion that if the Company is required to disclose the consideration, the vendors in the aviation industry (including CALC) will not enter into the aircraft sale and purchase agreement with the Group, and the Group may not be able to enter into similar future transactions with the vendors in the aviation industry (including CALC). Therefore, any relevant disclosure is not in the interests of the Company and the shareholders as a whole.

Therefore, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, exemption from strict compliance with the Rules 14.58(4), 14.58(6), 14.58(7) and 14A.68(5) of the Listing Rules regarding the disclosure of the transaction consideration, the net book value of the Subject of Transfer, the net profit attributable to the Subject of Transfer for the two financial years immediately preceding the transaction and the original cost of the Vendor's initial purchase of the Subject of Transfer.

As an alternative disclosure, the Company discloses the Market Appraised Value of the Subject of Transfer and internal return rate.

The Market Appraised Value is made by an independent appraiser and is approximately US\$102.4 million (equivalent to approximately HK\$799 million). The consideration is of no material difference from the Market Appraised Value.

The independent appraiser adopted the income/discounted cashflow approach. The present value of the remaining lease stream of the aircraft and the present value of the residual value of the aircraft as at the end of the leases attached to the aircraft are taken in to consideration when calculating the Market Appraised Value.

The internal return rate is one of the main factors considered by the Group when evaluating risks and returns involving in the purchase of aircraft asset portfolios and assessing the reasonableness of the premium, and the Group has been adopting this approach to evaluate the risks involving in the purchase of aircraft asset portfolios and the reasonableness of premium, the internal return rate is therefore stable at 5% to 8%. For historical similar transactions in the market, the internal return rate ranges from 5% to 6%. The Company confirms that after considering the purchase of the Subject of Transfer and there is no deviation from the method adopted by the Group when evaluating the transaction, the internal return rate of the transaction of Everbright Financial Leasing is expected to be above 5.3%.

Based on the above, the Directors of the Company, including the independent non-executive Directors, consider that the consideration for the Subject of Transfer was fair and reasonable, determined on an arm's length basis upon negotiation in accordance with the Group's customary business practices, taking into account the market appraised value of the relevant similar type of assets, internal return rate of similar transactions, terms and conditions of the transaction as a whole and with reference to market conditions.

5. Payment and Delivery Terms

The respective consideration of the Subject of Transfer will be paid upon completion of each of the Aircraft Sale and Purchase Agreements, which is estimated to complete in June 2021. The consideration shall be paid with self-owned funds of the Purchaser.

6. Conditions of Effective

The Aircraft Sale and Purchase Agreements shall take effect upon consideration and approval by the competent authorities of both parties.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE AIRCRAFT SALE AND PURCHASE AGREEMENTS

The Aircraft Sale and Purchase Agreements are entered into by the Group in its ordinary and usual course of business. Entering into the Aircraft Sale and Purchase Agreements between Everbright Financial Leasing and the Vendor is beneficial for effectively expanding the scale of aviation assets, improving the quality and profit of aviation assets of Everbright Financial Leasing, and broadening the client base of the aviation company of Everbright Financial Leasing, laying a foundation for achieving the diversity of clients.

IV. OPINIONS OF THE BOARD

The Directors of the Company, including the independent non-executive Directors, are of the opinion that the terms of the Aircraft Sale and Purchase Agreements are conducted on normal commercial terms, 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.

Li Xiaopeng, Wu Lijun and Fu Wanjun, all being 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. LISTING RULES IMPLICATIONS

As of the date of this announcement, Everbright Group is a controlling shareholder of the Company. Everbright Group is the sole shareholder of CE Hong Kong, which is an indirectly controlling shareholder of CE Limited through indirectly holding approximately 49.74% equity interests in CE Limited, which indirectly holds approximately 37.11% equity interests of CALC. Since CE Hong Kong indirectly controls and has great influence on CE Limited, thus CE Limited is considered as the subsidiary of CE Hong Kong. Therefore, CALC is an associate of Everbright Group. As Everbright Group is a controlling shareholder of the Company, CALC constitutes the connected person of the Company. Accordingly, the Aircraft Sale and Purchase Agreements and the transactions contemplated thereunder entered into between Everbright Financial Leasing and the Vendor shall constitute connected transactions for 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 transactions contemplated under the Aircraft Sale and Purchase Agreements is more than 0.1% but less than 5%, the transactions are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

VI. GENERAL INFORMATION

The Purchaser is a joint stock limited company incorporated in the PRC on 19 May 2010 with registered address located in Hubei Province, the PRC. Its primary business is financial leasing and transfer of financial leasing assets.

The Vendor is an exempted limited company incorporated in Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1848). Its primary business is global aircraft leasing.

DEFINITIONS

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

“Aircraft Sale and Purchase Agreements”	the two aircraft sale and purchase agreements entered into between the Purchaser and the Vendor on 9 April 2021, in relation to the Subject of Transfer
“Lease Agreements”	the existing lease agreements attached to the Subject of Transfer
“Everbright Financial Leasing” or “Purchaser”	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 the PRC. As of the date of this announcement, the Company holds its 90% equity interests
“Vendor” or “CALC”	China Aircraft Leasing Group Holdings Limited (中國飛機租賃集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1848). As of the date of this announcement, CE Limited indirectly holds approximately 37.11% equity interests of CALC, and the ultimate beneficial owner of CE Limited is the State Council of the PRC
“Subject of Transfer”	two Airbus A320 aircraft
“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 Stock Exchange (stock code: 6818) and the Shanghai Stock Exchange (stock code: 601818), respectively
“Group”	the Company and its subsidiaries
“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 controlling shareholder of the Company

“CE Hong Kong”	China Everbright Holdings Company Limited (中國光大集團有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Everbright Group
“CE Limited”	China Everbright Limited (中國光大控股有限公司), a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 0165) and is indirectly owned as to approximately 49.74% by CE Hong Kong as at the date of the announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	The People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“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
“Market Appraised Value”	the full-life base value of the aircraft obtained from an independent appraiser
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Beijing, the PRC
9 April 2021

As at the date of this announcement, the Executive Directors of the Company are Mr. Yao Zhongyou and Mr. Qu Liang; the Non-executive Directors are Mr. Li Xiaopeng, Mr. Wu Lijun, Mr. Fu Wanjun, Mr. Yao Wei, Mr. Liu Chong and Ms. Yu Chunling; and the Independent Non-executive Directors are Mr. Xu Hongcai, Mr. Feng Lun, Mr. Wang Ligu, Mr. Shao Ruiqing, Mr. Hong Yongmiao and Mr. Li Yinquan.