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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 TRANSACTION AMOUNT OF ACQUISITION OF
NON-PERFORMING ASSETS FOR CONNECTED LEGAL PERSON**

On 20 June 2019, the Company entered into the Agreement with Everbright Jin'ou, pursuant to which, the Company agreed to approve the cumulative transaction amount of non-performing assets of RMB4 billion in aggregate to Everbright Jin'ou, the single transaction under the amount shall not exceed RMB2 billion. The validity period of the amount is three years and the annual cap is RMB4 billion.

As at the date of this announcement, Everbright Jin'ou is a subsidiary of Everbright Group, the substantial shareholder of the Company, thus Everbright Jin'ou is an associate of Everbright Group. Everbright Jin'ou is therefore a connected person of the Company in accordance with the provisions under Chapter 14A of the Listing Rules, and 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 transaction under the Agreement is more than 0.1% but 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 20 June 2019, the Company entered into the Agreement with Everbright Jin'ou, pursuant to which, the Company agreed to approve the cumulative transaction amount of non-performing assets of RMB4 billion in aggregate to Everbright Jin'ou, the single transaction under the amount shall not exceed RMB2 billion. The validity period of the amount is three years and the annual cap is RMB4 billion.

II. THE AGREEMENT

The principal terms of the Agreement are summarized as follows:

1. Date

20 June 2019

2. Parties

(1) the Company; and

(2) Everbright Jin'ou.

3. Duration

Three years commencing from 20 June 2019 and ending on 20 June 2021 (both inclusive).

4. Nature of Transaction

The Company forms a close cooperation relationship in respect of transfer, management, operation and disposal of non-performing financial assets (including, but not limited to, the trust scheme, asset management plan of non-performing financial assets based on underlying assets, ABS and other derivative financial assets, etc.) with Everbright Jin'ou.

5. Principal Terms

The Company and Everbright Jin'ou carry out deep cooperation in the field of acquisition and disposal of non-performing financial assets, and propose a pilot to sell out the non-performing financial assets in tranches in the mode of "Head Office-to-Head Office". According to the requirements of the principle of authenticity, cleanliness and completeness of asset transfer, Everbright Jin'ou completed the fair and complete transfer of asset risks held by the Company through fair pricing in the market via assessment or valuation procedures.

Under the premise of reasonable pricing and valuation, Everbright Jin'ou may acquire the non-performing assets under management of the Company for commercial purposes.

Based on different project types, under the premise of consensus of negotiation and true and complete risk transfer between the Company and Everbright Jin'ou, Everbright Jin'ou may entrust the Company to assist or disposal of non-performing assets as an agent, or Everbright Jin'ou shall collect the assets on its own.

6. Pricing Policy

The transactions contemplated under the Agreement shall be conducted on normal commercial terms and the rates shall be less favourable than the rates charged by the Company to the independent third parties for comparable transactions.

The disposal of non-performing assets by the Company is conducted under the principle of marketization and legalization and in the mode of invitation tender. Qualified companies will be invited to make sealed bidding or open bidding. The Company determines the transfer plan based on the circumstances such as the valuation of non-performing assets, and determines the counterparty and trading price on the prime principle. The terms for Everbright Jin'ou are the same as that for other bidders who participate in the bidding , all of which are required to participate the bidding process to purchase the non-performing assets of the Company.

III. ANNUAL CAPS AND BASIS OF DETERMINATION

The Company did not conduct the transaction mentioned in this announcement with Everbright Jin'ou in the past.

According to the statistics, the transaction amount of non-performing assets with any single counterparty in 2016, 2017 and 2018 did not exceed RMB3 billion. Considering the prevailing international and domestic economic trend, the Company expects that the transaction amount of selling out non-performing assets of the Company may be slightly improving for the next three years. In conclusion, the cumulative transaction amount proposed to be granted to Everbright Jin'ou for the acquisition of non-performing assets of the Company is RMB4 billion for a period of three years. The annual cap is RMB4 billion, and the single transaction under the amount shall not exceed RMB2 billion.

IV. REASONS FOR AND BENEFITS OF APPROVING THE TRANSACTION AMOUNT OF NON-PERFORMING ASSETS

The Company primarily engages in the commercial banking business, including retail banking, corporate banking and treasury business, etc. The core business type of Everbright Jin'ou is non-performing asset operation business.

The transaction contemplated under the Agreement is conducted in the ordinary and usual course of business of the Company. The participation of Everbright Jin'ou in disposal of non-performing assets of the Company increases the volume of effective bidders, and positively expands the scope of selection of the Company in disposal of non-performing assets. Moreover, on the basis of the historical cooperations between the Company and Everbright Jin'ou, including but not limited to the credit extension to Everbright Jin'ou by the Company, Everbright Jin'ou is able to fully understand the business model and operation requirements 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. Fu Dong, Mr. Shi Yongyan, Mr. Wang Xiaolin and Mr. Zhao Wei 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.

VI. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Everbright Jin'ou is a subsidiary of Everbright Group, the substantial shareholder of the Company, thus Everbright Jin'ou is an associate of Everbright Group. Everbright Jin'ou is therefore a connected person of the Company in accordance with the provisions under Chapter 14A of the Listing Rules, and the entering into of the Agreement constitutes a connected transaction of the Company. As one or more of the applicable percentage ratios in respect of the transaction under the Agreement is more than 0.1% but 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 Jin'ou was commonly founded and formed by Everbright Group, China Everbright Investment and Assets Management Company Limited, Wenzhou Financial Investment Group Co., Ltd. and Wenzhou Industry Investment Group Co., Ltd. on 29 December 2015, with registered capital of RMB3 billion. Its core business type is non-performing asset operation business.

DEFINITIONS

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

“associate” has the meaning ascribed to it under the Listing Rules

“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
“Everbright Jin’ou”	Everbright Jin’ou Asset Management Limited
“Agreement”	The agreement dated 20 June 2019 entered into between the Company and Everbright Jin’ou in relation to cooperation on acquisition and disposal business of non-performing financial assets
“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
20 June 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. Fu Dong, Mr. Shi Yongyan, Mr. Wang Xiaolin, Mr. He Haibin and Mr. Zhao Wei; and the Independent Non-executive Directors are Mr. Qiao Zhimin, Mr. Xie Rong, Ms. Fok Oi Ling Catherine, Mr. Xu Hongcai, Mr. Feng Lun and Mr. Wang Ligu.