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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
REVISION OF ANNUAL CAPS UNDER THE COMPREHENSIVE SERVICES
FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 15 December 2021 in relation to, among others, the entering into of the Comprehensive Services Framework Agreement between the Company and Everbright Group, for a validity period from 15 December 2021 to 31 December 2023 (both dates inclusive). According to the Comprehensive Services Framework Agreement, services or products can be provided to each other between Everbright Group and/or its associates with the Company.

Due to the reasons mentioned in this announcement, on 22 May 2023, the Company has entered into the Supplementary Agreement with Everbright Group to revise the annual caps for the year ending 31 December 2023 for the provision of (i) comprehensive services; and (ii) comprehensive marketing services by Everbright Group and/or its associates to the Company under the Comprehensive Services Framework Agreement.

Everbright Group is the controlling shareholder of the Company and directly and indirectly holds approximately 47.19% of the issued ordinary shares of the Company as at the date of this announcement. Therefore, Everbright Group and its associates constitute connected persons of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios calculated in respect of the revised annual caps for the transactions of the provision of (i) comprehensive services; and (ii) comprehensive marketing services by Everbright Group and/or its associates to the Company under the Comprehensive Services Framework Agreement (as revised by the Supplementary Agreement) exceed 0.1% but is less than 5% under Chapter 14A of the Listing Rules, such transactions constitute continuing connected transactions under Chapter 14A of the Listing Rules and are subject to the annual reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

I. INTRODUCTION

Reference is made to the announcement of the Company dated 15 December 2021 in relation to, among others, the entering into of the Comprehensive Services Framework Agreement between the Company and Everbright Group, for a validity period from 15 December 2021 to 31 December 2023 (both dates inclusive). According to the Comprehensive Services Framework Agreement, services or products can be provided to each other between Everbright Group and/or its associates with the Company.

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II. REVISION OF THE ANNUAL CAPS UNDER THE COMPREHENSIVE SERVICES FRAMEWORK AGREEMENT PURSUANT TO THE SUPPLEMENTARY AGREEMENT

Except revising the following relevant terms of existing annual caps, other terms and conditions of the Comprehensive Services Framework Agreement remain unchanged and remain in full force and effect. The main details of revision of the Comprehensive Services Framework Agreement by the Supplementary Agreement are set out below:

Date: 15 December 2021, as revised on 22 May 2023

Parties: The Company and Everbright Group

Duration: From 15 December 2021 to 31 December 2023 (both dates inclusive)

1. Provision of comprehensive services by Everbright Group and/or its associates to the Company

According to the Comprehensive Services Framework Agreement, Everbright Group and/or its associates can provide comprehensive services to the Company, mainly including property leasing, property management, room cleaning, publicity services and advertising services, etc.

Reasons for and benefits of the transaction

Provision of comprehensive services by Everbright Group and/or its associates to the Company is conducive to realizing resources sharing, complementary advantages, enhancing products and services quality and improving work efficiency.

Pricing policy

By way of price comparison, market research, on-site visitation of intermediaries and competitive negotiation, etc., the Company determined the price comprehensively in accordance with relevant bidding and procurement requirements. Upon consideration and approval by the bidding work and procurement committee of the Company, a third-party bidding and procurement company will be entrusted to conduct public bidding and procurement, and in the event that the partners are Everbright Group and/or its associates, it will be guaranteed that the price of comprehensive services procured from them will be equivalent to that of similar services purchased by the Company from an independent third party in the open market.

Historical figures, existing annual cap and revised annual cap

Unit: RMB'00 million

Historical amount for the year ended 31 December			Existing annual cap for the year ending 31 December 2023	Revised annual cap for the year ending 31 December 2023
2020	2021	2022		
1.11	2.3469	2.6714	3.69	9.09

As at the date of this announcement, the actual transaction amount for this year did not exceed the annual cap for the year ending 31 December 2023.

Reasons and basis for revision of annual cap

Under the guidance of the Company's goal of "building a first-class wealth management bank", and combined with the historical data of Everbright Group and/or its associates in providing relevant services to the Company, the demand of the Company for services including property leasing, property management, room cleaning, publicity services and advertising services, is relatively huge. In addition, as the expanding in cooperation content, upgrading of cooperation mode, enriching of service types between the Company and Everbright Group and/or its associates, relevant business departments have proposed an increase in the existing annual cap for the year ending 31 December 2023. With regard to the provision of comprehensive services by Everbright Group and/or its associates to the Company, the existing annual caps cannot meet the needs of business growth due to factors such as business development, increase in premises lease and rising prices, as well as the increase in energy conservation renovation, smart buildings and other related workloads. The Company proposes to increase the transaction cap for comprehensive

services in 2023 by RMB540 million to RMB909 million, mainly comprising of transactions relating to property leasing, property management, project upgrading and renovation and smart buildings, publicity service and others.

2. Provision of comprehensive marketing services by Everbright Group and/or its associates to the Company

Pursuant to the Comprehensive Services Framework Agreement, Everbright Group and/or its associates could provide comprehensive marketing services to the Company, such as financial information services, data processing services and others.

Reasons for and benefits of the transaction

Provision of comprehensive marketing services by Everbright Group and/or its associates to the Company is an important business channel for the Company's credit card marketing, which is conducive to strengthening the construction of credit card sales team, improving the quality and efficiency of business development, and realizing the high quality development of credit card business.

Pricing policy

The determination of the pricing principle for the service of the comprehensive marketing business adopts the prevailing market price. The Company will make comparison with companies which provide similar services, take into account factors including financial condition, business experience, professional ability, cooperation history, and conduct sufficient market research, upon which the Company will conduct cooperation with partners under the method conforming to the fair pricing in the market. The price will be negotiated by both parties on an arm's length basis and determined on normal commercial terms. Specifically, both parties will determine the prices adopted by both parties for their services based on market prices and taking into account the service content of cooperation and the establishment of sales system and others.

Historical figures, existing annual cap and revised annual cap

Unit: RMB'00 million

Historical amount for the year ended 31 December			Existing annual cap for the year ending 31 December 2023	Revised annual cap for the year ending 31 December 2023
2020	2021	2022		
5.2	1.674	5.7857	6.07	11.66

As at the date of this announcement, the actual transaction amount for this year did not exceed the annual cap for the year ending 31 December 2023.

Reasons and basis for revision of annual cap

Under the strategic vision of “building a first-class wealth management bank” and centering on the credit card strategic business, through promoting the cooperation of the comprehensive marketing business since 2017, the Company achieved the increase in both volume and quality of credit card clients, accelerated the progress of high-quality transformation, focused on the optimization of client structure, identified the potential of growth of income, advanced the improvement of operation level and management capability with “client acquisition - client activation - access” as its main line, and in accordance with the strategic positioning and requirements of the Company’s business development, in calculating the above annual caps, the Company has considered the client acquisition cost of the comprehensive marketing business and the business scale.

With the further expansion of the cooperation, the comprehensive marketing cooperation between the Company and Everbright Group and/or its associates has transformed from single way of customer acquisition to integrated marketing. The cooperation content between both parties is further broadened, and the number of services has increased, with the addition of mobile channel services, customer operation products and installment products; the focus of development has further shifted to quality, the business scale has been further expanded, and the price of services has increased accordingly, so the existing annual cap cannot meet the needs of business development. The expenses of credit card comprehensive marketing business of the Company in 2023 are estimated to increase by RMB559 million to RMB1,166 million, mainly comprising of marketing expenses of customer expansion business, mobile channel services, customer operation products and installment products, etc.

III. INTERNAL CONTROL MEASURES

The Company has adopted a series of internal control measures to ensure that the above framework agreements comply with the requirements of the Listing Rules, which mainly include:

- (1) the Company has established the trans-departmental related party transaction management office at the management level, the members of which comprise of relevant personnel of compliance, business, risk control and financial departments, etc., and clarify the leading department, set up designated positions responsible for daily work including identification and maintenance of connected transactions, management of connected transactions;

- (2) all transactions entered into with connected persons which exceed the discloseable threshold will be provided to external lawyers for review and confirmation of whether or not further disclosure is required to be made to the public. The discloseable threshold will be reviewed by external lawyers with reference to the Company's financial statements and market value;
- (3) the Company initiated a consulting project on connected transaction management, and with the help of external lawyers' expertise, further improved the connected transaction organization structure, management responsibilities and internal systems of the Company, gradually improved the internal control measures of connected transactions by checking the omissions and filling the gaps, improved the management level of connected transactions, to avoid the occurrence of violations;
- (4) the Company will further promote the update and upgrade of the connected transaction management system based on the regulatory requirements and the consulting project results, strengthen the technological empowerment on connected transaction management, and continue to improve the systematic control ability of connected transaction management;
- (5) according to regulatory requirements of the regulators, the SSE and the Stock Exchange, each unit regularly makes statistics and reports on the implementation of the annual caps on continuing connected transactions, which are then aggregated and disclosed in accordance with the regulatory requirements;
- (6) the Company organizes a special internal audit and year-end audit on connected transactions once a year, and will disclose the connected transaction data of the Company during the financial year in accordance with the requirements of the Listing Rules;
- (7) the Company issues the notice to continuously strengthen the connected transactions management, requiring institutions at all levels to combine internal and external inspections to find problems, increase the attention to connected transaction management, and strictly follow regulatory requirements to perform work procedures such as consideration, approval and disclosure so as to ensure the compliance of connected transactions;
- (8) the Company will continue to strictly implement the management requirements that relevant businesses shall not be carried out in excess of the cap. If there is a need for increase of annual caps, it is necessary to first apply for adjusting the annual cap, and conduct business after obtaining approval;
- (9) on a prudent basis, after the adjusted annual cap is approved by the Board, the connected transaction with single transaction amount within the approved annual cap and within 1% of the Company's net capital shall be considered and approved with reference to the existing business process of the Company; the connected transaction with single

transaction amount exceeding 1% of the Company's net capital, regardless of whether they are within the approved annual cap, shall be submitted to the Board for approval on a case-by-case basis; for major connected transactions whose transaction types are not included in the annual cap, each unit is still required to perform the approval and follow-up procedures of the Board and other competent institutions on a case-by-case basis;

- (10) the Company will organize the Directors, senior management to participate in more training courses relevant to the disclosing transactions and connected transactions under the Listing Rules.

The Company will continue to improve a sound management system for connected transactions, improve the operating mechanism for connected transactions and enhance the management of connected transactions in compliance with the regulatory requirements of the Stock Exchange and pursuant to the Management Measures for Related Party Transactions of China Everbright Bank Company Limited.

IV. OPINIONS OF THE BOARD

The Directors, including the independent non-executive Directors, are of the opinion that the terms and revised annual caps of the transactions contemplated under the Supplementary Agreement are conducted on normal commercial terms, in the usual course of business of the Company 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 revision to annual caps of continuing connected transactions. Wang Jiang, Wu Lijun, Wang Zhiheng and Yao Zhongyou, all being Directors, have abstained from voting on the Board resolution approving the revision to annual caps of continuing connected transactions. Save as mentioned above, none of other Directors have material interest in the matter and hence no other Director has abstained from voting on such Board resolution.

V. IMPLICATIONS UNDER THE LISTING RULES

Everbright Group is the controlling shareholder of the Company and directly and indirectly holds approximately 47.19% of the issued ordinary shares of the Company as of the date of this announcement. Therefore, Everbright Group and its associates constitute connected persons of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios calculated in respect of the revised annual caps for the transactions of the provision of (i) comprehensive services; and (ii) comprehensive marketing services by Everbright Group and/or its associates to the Company under the Comprehensive Services Framework Agreement (as revised by the Supplementary Agreement) exceed 0.1% but is less than 5% under Chapter 14A of the Listing Rules, such transactions

constitute continuing connected transactions under Chapter 14A of the Listing Rules and are subject to the annual reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

VI. GENERAL INFORMATION

The Company is a joint stock company incorporated in the PRC with limited liability 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, and its substantial shareholders are Central Huijin Investment Ltd. and the Ministry of Finance. It 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 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 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 SSE (stock code: 601818), respectively
“Comprehensive Services Framework Agreement”	the comprehensive services framework agreement entered into between the Company and Everbright Group on 15 December 2021
“Supplementary Agreement”	The supplementary agreement to the Comprehensive Services Framework Agreement entered into between the Company and Everbright Group on 22 May 2023
“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 with limited liability and a controlling shareholder of the Company, and its ultimate beneficial owner is the State Council of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	the lawful currency of the PRC
“%”	per cent

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

Beijing, the PRC
22 May 2023

As at the date of this announcement, the Executive Directors of the Company are Mr. Wang Zhiheng and Mr. Qu Liang; the Non-executive Directors are Mr. Wang Jiang, Mr. Wu Lijun, Mr. Yao Zhongyou, Mr. Yao Wei, Mr. Liu Chong and Mr. Li Wei; and the Independent Non-executive Directors are Mr. Wang Liguo, Mr. Shao Ruiqing, Mr. Hong Yongmiao, Mr. Li Yinquan, Mr. Han Fuling and Mr. Liu Shiping.