

Press Release

19 March 2021

**Overcoming Impacts and Challenges Brought by the Pandemic,
CEL's Strategic Transformation Achieves Preliminary Results,
as Fundraising Significantly Increased Compared with Market Trends, while Profit
Grew Steadily and Moderately**

China Everbright Limited Announces 2020 Annual Results

Financial Highlights of 2020 Annual Results

- Significant fundraising growth counters trend. Scale of newly-raised funds under CEL was approximately HK\$27.15 billion, with the total AUM reaching HK\$182.8 billion, a year-on-year increase of 16%, reaching a historical high.
- CEL's revenue increased. The Group's total income reached HK\$5.592 billion, an increase of 1.3% over the same period last year, while earned management fee income reached HK\$1.018 billion, an increase of 14% over the same period last year.
- Profit of the year saw steady and robust growth. Profit attributable to shareholders for the year was approximately HK\$ 2.264 billion, a rise of 1.2% amid headwinds.
- The dividend payout ratio maintained a positive trend. The dividend payout ratio is 36.5%, while annual dividend per share amounted to HK\$0.49.
- Investment allocation continues to be optimized. The annual investment amount was approximately HK\$13.6 billion, focusing on areas such as environmental protection, big health and new technology, among others.

China Everbright Limited ("CEL" or "the Group", stock code: 165.HK) today announced its annual results for the year ended 31 December 2020.

The year of 2020 was an extraordinary and challenging year for CEL against the backdrop of the impact brought by the Covid-19 pandemic and severe challenges in the private equity industry. CEL unswervingly pushing forward its transformation development by implementing its existing strategy. The Group focuses on the main business of cross-border asset management, leading its key industries platforms, in order to proactively face challenges, achieving remarkable results.

In 2020, Total AUM reached HK\$182.8 billion, a year-on-year increase of 16%, reaching a historical high. Meanwhile, CEL has a total of 78 funds under management.

The Group's total income reached HK\$5.592 billion for the whole year, an increase of 1.3% over the same period last year. The income from earned management fee reached HK\$1.018 billion, an increase of 14% over the same period last year.

The profit attributable to shareholders for the year was HK\$2.264 billion, a steady increase of 1.2% .

In order to reward shareholders for their support, the Board of Directors declared a final dividend of HK\$ 0.35 per share. Together with the interim dividend of HK\$ 0.14 per share already paid, the aggregate dividend for the year was HK\$ 0.49 per share, with the dividend payout ratio increasing 0.3 percentage points to 36.5%.

Highlights of Business Development in 2020

1. Initial success in strategic transformation, with stable enhancement of integrated capacity

Despite the Covid-19 pandemic and other severe external challenges, CEL maintained its strategic strength and overcame multiple challenges in terms of transformation and development. It managed to achieve steady growth and was unwavering in terms of its strategic advances in business. In 2020, CEL ranked 84th among the largest international private equity firms by PEI 300, up 11 positions from 2019.

2. Facing major external impacts, CEL maintained its stable development direction with outstanding resilience

Through a diversified fund structure, industrial value chain portfolio and cross-border asset management, CEL comprehensively enhanced its “funding, investment, management and disposal” capabilities and maintained its leading position in the asset management industry in China. At the beginning of 2020, CEL evaluated the situation and formulated a “expanding fundraising, accurate investment, strict management, and stable divestment” strategy by adopting scientific analysis and precise planning. As a result, CEL's asset management and investment business saw positive results.

- **Significant growth in fundraising scale counters trend:** The total net increase in the scale of fundraising for CEL's funds amounted to approximately HK\$27.15 billion, with a total AUM of approximately HK\$182.8 billion, up 16% year-on-year against the industry trend. The scale of asset management significantly improved, laying a solid foundation for future development.
- **Optimized investment structure:** The annual investment amount was approximately HK\$ 13.6 billion, which went into high-quality projects such as Evergrande Property, Recbio, Chemclin and Chongqing Science City, among others, focusing on areas such as environmental protection, big health and new technology.
- **Stringent management and control of various risks:** CEL constantly conducts inspections of its investment projects and has strengthened the risk management of more than 240 post-investment projects, in order to effectively prevent various risks.
- **Considerable divestment returns recorded :** By grasping the opportunities, cash inflows of CEL amounted to approximately HK\$12.4 billion during the year, with the average project disposal IRR

approximately 15%, creating good cash returns for investors. A total of 8 IPO projects successfully listed or received approval from the regulator during the year.

3. Effectively enhanced interaction among products, , in order to build up a professional brand

In 2020, Everbright focused on the strategic sectors of new technology, health and environmental protection, and launched new products. Riding on the fund segment and inter-segment asset management, its fund brand image gradually sharpened. During the year, the Everbright Belt & Road Green Fund was officially launched with AUM of HK\$3.6 billion. Riding on the leading capacity of Terminus in the AI city sector, CEL established EBT Investment Fund, with HK\$3.61 billion in AUM. Focusing on CALC's professional expertise in the aviation leasing industry, the Group issued an aviation-themed fund, amounting to HK\$1.78 billion. Moreover, CEL also launched the Ganzhou Funds of Funds with a scale of HK\$2.97 billion to realize its distribution in central China region.

4. Supported the development of key industries platforms, maintained leading position in the industries

During the year, CEL further enhanced and incubated the inter-segment of its affiliate industries platforms, speeded up to be the industry leader and raised its core competitiveness to maintain its leading position in key industries platforms. Among these, Terminus ranked first place in the "2020 Deloitte Technology Fast 50 China" released by Deloitte. Everbright Senior Healthcare reached over 28,000 beds, and was awarded "China Top 5 Brand of Senior Healthcare Service" in the 5th China Senior Healthcare Industry Lujiazui Summit. EBA Investments ranked first place in the "Top 10 Funds in terms of Comprehensive Strength among China Real Estate Funds" for six consecutive years. CALC remained in the top tier of the global aircraft leasing industry, and ranked in 9th place in 2020 ICF International.

5. Strengthened strategic synergy comprehensively to form an integrated center for development

CEL has comprehensively strengthened the deep synergistic collaboration with different industry segments of Everbright Group, fully developing and supplementing the strengths of each party, leading to numerous synergistic developments of industries. As the end of 2020, CEL had worked with various affiliate industries entities of Everbright Group, and the synergistic business scale has been enlarged gradually. Leveraging on the advantages of Everbright Group's business segment in capital market, it co-launched a perpetual bond of USD300 million, CEL Ashmore, its subsidiary jointly issued RMB1.72 billion worth of REITs with Everbright Securities, and its subsidiary CALC conducted a synergy transaction through its aircraft portfolio of USD300 million with Everbright Financial Leasing.

Strategy and Outlook

In 2021, as we enter the "post-pandemic era", we are seeing the macroeconomic environment changing to the new development pattern of "Domestic circulation plays a dominant role, supported by domestic-international dual circulation". At the same time, the pandemic has driven the development of the new

economy sectors, including healthcare, technology, environmentally friendly, wealth and livelihood, creating opportunities in the broad space of private equity investment.

The year 2021 is also the first year of the "14th Five-year Plan". CEL will keep a foothold in the new development stage, adhere to the "Asset management + Investment + Industries" development strategy by enhancing marketization, internationalization and specialization capabilities. CEL will also follow the "value creation" philosophy through unwavering strategic advancement on the main business of cross-border asset management and accelerate structural adjustment to increase profit contribution by continuously creating value.

Firstly, continuously enhancing value creation capabilities. CEL will continue enhance fundraising and optimize its asset structure, in order to strengthen its investment allocation. CEL will also revitalize its cornerstone investments, further improving the Group's profitability to achieve high-quality development.

Secondly, continuously upgrading the capacity for the integration of industries and finance. CEL will give full scope to its investment and asset management capabilities and to the professional capabilities and market influence of key platform companies in their fields respectively. CEL will set up industrial funds based on the platforms in order to drive growth of the company's asset management scale, creating the CEL characteristics of industry-finance integration.

Thirdly, continuously improve its capability in coordinated development. CEL will focus on the theme of "The Year of Improving Management". It will enhance the strategic leadership and integrated support and coordination for its key industrial platforms, forming a synergistic power by integrating resources. Meanwhile, CEL will continue bolster its reform and innovation, achieving the sustainable and healthy development for the Group.

Fourthly, continuously enhancing the capability for risk management and control. CEL always maintains awareness of unexpected developments and applies bottom line thinking. It will make accurate research and judgment by strengthening the scrutiny and investigation of its own investment projects, in order to mitigate and manage risks in some of the sectors.

Mr. Zhao Wei, Chairman and Chief Executive Officer of CEL said, "After the challenges brought by the Covid-19 pandemic in 2020, the world's economy is embracing a critical year for recovery in 2021, which is also the first year of China's new journey of the '14th Five-year Plan'. CEL will ride on the new development stage and implement the new development philosophy by continuously implementing the spirit of Everbright. CEL will also evaluate the changes in the post-pandemic era, in order to grasp opportunities and prepare for the challenges ahead. The Group will explore the new status for strategic development, forging ahead to the strategic target of becoming the world-leading cross-border asset management company."