



China Everbright Limited Announces 2022 Annual Results Improves Long-term Profitability with Confidence

Financial Highlights of 2022 Annual Results

- Loss attributable to shareholders of the Company was HK\$7.443 billion; the unrealised loss on investments was primarily due to a decrease in the valuation of investment projects.
- Fund raising continued and total AUM reached approximately HK\$165.4 billion.
- Carried out diversified exits with 86 projects fully/partially exited, achieving a cash return of approximately HK\$13.9 billion.
- Maintained strong liquidity with cash and cash equivalents of approximately HK\$8.2 billion and with unutilised bank facilities available for use of approximately HK\$12 billion.
- Maintained dividend payments with final dividend: HK\$0.15 per share.

(17 March 2023) **China Everbright Limited** (“CEL” or “the Group”, stock code: 165.HK) today announced its annual results for the year ended 31 December 2022 (“the reporting period”).

2022 was a challenging year. The international landscape was complex. Global economic growth decelerated, and the global capital market oscillated downward. All these posed major challenges to the Group’s cross-border investment and asset management business in 2022. Consequently, there was a fall in the market value, and decline in the valuation, of the investment projects held by CEL throughout the reporting period, resulting in a loss attributable to shareholders of the Company of HK\$7.443 billion. The unrealised loss on investments did not have a direct impact on the Group’s cash flow.

CEL made defensive decisions and overall arrangements in a timely manner. By stepping up the withdrawal and recovery of project funds, keeping strict control over business costs and expenses, and making selective investments in quality projects, the Group managed to secure the bottom line against risks and make sure business operations were conducted in an orderly manner. During the reporting period, HK\$4.2 billion was contributed in aggregate to a total of 49 projects; and 86 projects were fully/partially divested, generating cash inflow of approximately HK\$13.9 billion, marking good project exit and capital recovery.

As at the end of December 2022, the Group had cash and cash equivalents of approximately HK\$8.2 billion and unutilised bank facilities available for use of approximately HK\$12 billion. Liquidity stayed healthy and the overall financial, business and operating conditions remained sound.

During the reporting period, CEL continued to promote fund raising and maintain market leadership in fund management. As a result of exchange rate conversion, the decrease in AUM of secondary market funds under the impact of fund redemptions and the decrease in net asset value of secondary market funds, and the decrease in AUM due to the maturity of certain funds, the total AUM of the funds decreased slightly to HK\$165.4 billion. There were 80 managed fund products, including primary market funds, secondary market funds and accounts, and Fund of Funds (“FoF”).

To share the fruits of the Group’s development with shareholders and investors, the Board declared a final dividend of HK\$0.15 per share for 2022. (2021 final dividend: HK\$ 0.30 per share)

Business Highlights of 2022 Annual Results

Fund Management Business

In 2022, CEL carried out the Fund Management Business in a steady and orderly manner, seizing the window of opportunity at each stage of “fundraising, investment, management and exit”, while also adopting the strategy of “precise investment and stable exit” to promote high-quality business development.

Focused on emerging industries, while fundraising remained steady. CEL funds were established to focus on high-end manufacturing, information technology, green and environmental protection, new infrastructure and niche businesses as an investment approach, and the Group strengthened its investment in the Belt & Road Initiative Green Fund-of-Funds and the establishment of regional sub funds. Capital CEL Specialised and New Enterprises Fund and Nanjing Direct Investment Fund for Belt & Road Initiative Green Fund were set up. Asian Infrastructure Investment Bank has approved to commit US\$100 million in CEL Infrastructure Investment Fund II.

Practiced the development of science and technology investment and captured investment opportunities prudently. The fund management of CEL made careful and prudent investment decisions in high-quality projects such as CNNP Rich Energy, Kunyu New Energy, Tianmu Xiandao Battery and Ganzhou HPY Technology, among which Tianmu Xiandao Battery and Ganzhou HPY Technology won a number of national awards in 2022.

Implemented diversified exit channels to speed up capital withdrawal. Transfer and IPO exit methods were combined together. The Group exited from overseas projects such as Norwegian public transportation project, vehicle inspection system and BPG project (an advanced equipment manufacturer) by way of transfer. Seven investment projects (Giant Biogene, Recbio, Credo Technology, SatixFy, ASR Microelectronics, iSoftStone and Haitai Solar) were listed on the Hong Kong Stock Exchange, NASDAQ in the United States,



Shanghai Stock Exchange STAR Market, Shenzhen Stock Exchange ChiNext and Beijing Stock Exchange respectively by way of IPOs.

Key Investee Companies

CALC was growing steadily with the strengthened layout of the entire aircraft industry chain. The fleet size continued to expand, and the number of fleets increased to 176. CALC has become the first aircraft recycling company accredited with Diamond Status (the highest level) by the Aircraft Fleet Recycling Association (“AFRA”). CALC has been firmly serving the national strategy of opening up the overseas market for China-made large aircraft. Its Indonesian airline TransNusa officially received the regional jet ARJ21, which was the first time China-made jets entered the overseas market. It was of great significance that the new development pattern is being built under the Belt & Road Initiative and the "Dual Circulation" strategy.

Everbright Senior Healthcare implemented social responsibility through development. With 34,000 beds under management, and 194 elderly care institutions and community service sites, it ranked second among “Integrated Business Enterprises in the Impactful Healthcare Industry for 2022”, as published by Guandian. At the same time, Everbright Senior Healthcare actively responded to the call of the state and participated in work related to the transformation of training and recuperation institutions organised by the National Development and Reform Commission, demonstrating its responsibility.

Terminus reached a new level of development with research on AIoT. A new upgrade of the operating system has been realised, and a number of research results have been included and published by CVPR, a top conference in the field of artificial intelligence. TacOS 3.0 and the cloud-edge integrated product matrix have been released. In addition, Terminus has recruited three world-renowned scientists, and has taken the initiative to undertake national-level technology research tasks, such as a multi-modal network based on 6G communication technology as well as national key communication R&D projects.

Rich Resource Reserves

Increased liquidity reserves. In 2022, the new bank loan facilities of CEL exceeded HK\$21.2 billion. In June, the Group successfully issued RMB3 billion 3-year medium-term notes at the National Association of Financial Market Institutional Investors. As at the end of December 2022, the Group’s cash on book amounted to approximately HK\$8.2 billion and unutilised bank facilities amounted to approximately HK\$12 billion.

Enhanced the coverage of scientific and technological innovation resources. CEL supported innovative development based in Hong Kong, with China Everbright Hong Kong Innovation Centre and CEL Global Partner Project in the Hong Kong Science Park as our backup; CEL supported the construction



of an innovation and technology centre in Hong Kong to incubate start-ups and capture investment opportunities. In particular, the incubator at China Everbright Hong Kong Innovation Centre is currently over-occupied with start-ups.

Strengthened regional development to increase investment exposure in a mass market. CEL carried out an in-depth layout of the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area, and actively participated in the build-up of the Chengdu-Chongqing Economic Circle, Hainan Free Trade Port and Xiongan New Area. The overall planning comprised of software and networks, retailing, consumer goods, healthcare and other fields.

Comprehensive Improvement of Environmental, Social and Governance

CEL continued to enhance its ESG management policy, optimised a number of internal management rules and regulations such as risk management guidelines and the board diversity, and improved its climate change management policy and organisational structure. CEL benchmarked itself against the industry's state-of-the-art technology by officially becoming a TCFD sponsor. During the reporting period, MSCI adjusted the Group to the more competitive category of "Asset Management and Custodian Bank" during the reporting period. The Group's ESG rating was upgraded from B to BB, with a score increase of 48%.

Over the past 25 years, the Group has been firmly committed to its long-term investment strategy and deep involvement in promising specialised industries. The Group has gone through multiple economic and industry cycles and built valuable and rich management experience and a solid track record. The 20th National Congress of the Communist Party of China has embarked a new journey of Chinese-style modernisation, and the new development pattern of China's economy is being accelerated. Hong Kong is ushering in a new chapter of development from governance to prosperity, and Hong Kong's unique competitive advantages and favourable development conditions are being further highlighted. CEL will firmly seize the opportunity to work hard, utilise cross-border resources, strengthen fundraising, invest prudently and prevent risks. Through a series of proactive measures, CEL will spare no effort to promote the high-quality development of the Group's business to build a leading Chinese cross-border investment and asset management company.

Mr. Zhang Mingao, Executive Director and President of China Everbright Limited, said: "In 2022, in the face of severe market environment and challenges, CEL has risen to the occasion, actively addressed risks, stabilised business development, improved management efficiency, achieved cost reduction and efficiency, and laid a solid foundation for high-quality development. Standing at a new historical starting point, we have full confidence in the future. In 2023, we will uphold our business philosophy of 'seeking progress while maintaining stability' to address 'risks' and 'opportunities' and coordinate 'stability' and 'progress', continue to expand AUM to increase the contribution of management fee income,



and re-achieve efficient value creation through precise investments and reliable exits. In addition, we will continue to develop an asset-liability structure with sufficient liquidity, and further enhance dividend-paying ability to share the fruits of the Group's development with shareholders and investors.”