



China Everbright Limited Announced 2023 Annual Results

Financial Highlights of 2023 Annual Results

- Total revenue reached up to HK\$1.661 billion, maintaining overall steady operations;
- The loss attributable to CEL shareholders was HK\$1.923 billion, showing a significant decline compared to the same period last year;
- Efforts increased in business exit, recouping a total of HK\$7.458 billion;
- Total assets under management (AUM) amounted to approximately HK\$126.2 billion;
- Good liquidity remained with around HK\$9.6 billion in cash and cash equivalents, and an untapped bank credit line of approximately HK\$14.1 billion;
- Dividend was distributed, with a year-end dividend of HK\$0.10 per share.

(22 March 2024) China Everbright Limited (“CEL” or “the Group”, stock code: 165.HK) announced its annual results for the year ended 31 December 2023 (“the reporting period”).

In 2023, China’s private equity continued to slump under pressures. International political and economic situation had remained complicated and volatile. The slump in the capital market affected the overall performance of the Group. During the reporting period, CEL recorded a total revenue of HK\$1.661 billion, with a loss of HK\$1.923 billion attributable to CEL shareholders compared to the same period last year, mainly due to unrealized investment losses resulting from fluctuations in the market value of investment projects or valuation declines.

CEL actively addressed adverse factors, conducted strategic transformation and advanced layout for future business, and therefore achieved stabilization and improvements in many aspects. During the reporting period, CEL seized opportunities to exit business wherever possible, recouping a total of HK\$7.458 billion and realising an overall gain of approximately HK\$2.776 billion against costs.

By the end of 2023, CEL had approximately HK\$9.6 billion in cash and cash equivalents, with an untapped bank credit line of around HK\$14.1 billion, ensuring sufficient liquidity and maintaining overall financial stability.

During the reporting period, CEL steadily progressed in establishing and fundraising for new funds. Despite difficulties in fundraising, CEL successfully founded CEL Yixing Fund and finished the filing of CEL Kunshan Fund. The total assets under management (AUM) was approximately HK\$126.2 billion, with 73 fund products under management, including primary market funds, secondary market funds, and Fund of Funds.

In line with the concept of sharing corporate business results with shareholders, the Board of Directors announced a dividend distribution of HK\$0.10 per share at the end of 2023. (Dividend at the end of 2022: HK\$0.15 per share)

Key Highlights for 2023 Operational Results

In 2023, CEL focused on main business, strengthened management in fundraising, investment, management and divestment, enhanced internal controls, and continuously improved risk prevention capabilities, with a view to advancing high-quality development through gradual transformation.

I. Steady development of fund management to gain market recognition

Forge ahead steadily in fundraising against the odds. Despite difficulties in fundraising, CEL Yixing Fund was newly established and raised funds of HK\$1.324 billion successfully. The new fund will mainly focus on industries including energy conservation, environmental protection, integrated circuit, and new energy, with a vision to serving the economy of the Yangtze River Delta region.

Accelerate capital withdrawal to achieve good returns. Recouped HK\$7.458 billion in total from the exit business including Ambrx, Henan BCCY Environmental Energy, Reactor Microelectronics, Haitai New Energy, Three's Company Media and XPENG Motors, realising an overall gain of approximately HK\$2.776 billion against costs, and recorded a multiple on invested capital (MOIC) of approximately 1.6 x.



Win market recognition and industry awards. CEL secured several annual industry awards, including “TOP8 Best Return State-Owned Direct Investment Institutions of 2023”, “TOP10 Private Equity Investment Institutions Most Covered by LPs in China”, “TOP30 Best PE Institutions in the Guangdong-Hong Kong-Macao Greater Bay Area”, and “TOP20 Best Market-oriented Fund of Funds in China”.

II. Actively explore high-quality business to foster development engine

Drive breakthroughs in incubation innovation and contribute to the development of Hong Kong Innovation Centre. The incubator at China Everbright Hong Kong Innovation Centre introduced 7 new enterprises and attracted the first foreign enterprise, exceeding the annual target. It also successfully held the “New Opportunities in Hong Kong’s Innovation and Technology & Everbright’s New Development Strategy” seminar.

Focus on key industries for high-quality and steady development. CEL strengthened its layouts in key industries in line with major regional developments. Continuous efforts were made to deepen the layouts in the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area, driving the high-quality development of these regions.

Actively respond to national strategic initiatives and promote industry integration. CEL placed an emphasis on major national strategic areas such as technology, green development, manufacturing, and strategic emerging industries, increased investment in the real economy. CEL further promoted the deep integration of business chains and expanded new economic growth opportunities.

III. Proactively take initiatives to continuously optimize operational capabilities

Conduct debt replacements to optimize capital structure continuously. In the third quarter of 2023, CEL successfully issued the first and second tranches of medium-term notes with a total issuance scale of RMB6 billion. The second tranche of medium-term notes represented the Company’s first perpetual bonds issued domestically, completing the replacement of overseas US dollar-

denominated perpetual capital securities, continuously optimising the capital structure.

Enhance governance standards to ensure long-term stability and development. CEL strengthened and improved various risk control and corporate governance frameworks, aimed at building a more robust and effective corporate governance structure. CEL also enhanced efficiency and safety during decision-making and business processes, ensuring the long-term stable development of the enterprise.

IV. Actively fulfill social responsibilities with consecutive improvement in ESG ratings

Energetically organize activities to fulfill corporate social responsibilities. Focused on Hong Kong's "grassroots families" and "youth groups", CEL organised volunteer activities such as "Grassroots School Sports Fun Day", "Grassroots Schools STEM Day", Mid-Autumn Festival gift bag distribution under the theme of "A Joyful Mid-Autumn Festival for Family Reunion", and "Everbright's Care for the Community". CEL fully supported the Hong Kong delegation's participation in the first National Student (Youth) Games held in Guangxi, promoting the development of sports in Hong Kong.

Keep upgrading ESG system with consecutive improvement in ESG ratings. CEL continued improving and optimising the ESG management policy by issuing separate and self-contained ESG reports to disclose information in relation to responsible investment and TCFD. CEL's MSCI ESG rating was promoted to BBB level, achieving continuous improvement in ESG ratings.

V. Seize industrial opportunities by key investees for steady development.

CALC steadily expanded its aircraft fleets, with a fleet size of 192 aircraft, an increase of 16 aircraft from the end of 2022, including 165 aircraft self-owned, and 27 aircraft managed. CALC provides aircraft leasing and agency services to 41 airlines in 20 countries and regions. Everbright Senior Healthcare maintained its leading position in the industry with 190 institutions and community service sites across over 50 cities nationwide, and engaged in operations around Beijing-Tianjin-Hebei, Yangtze River Delta, and Chengdu-Chongqing economic regions,



with a total of approximately 32,000 beds under management. Through seizing high-growth business opportunities, Terminus explored new business scenarios and models continuously, with breakthrough in research progress by its three laboratories.

Going forward, CEL will actively seize favorable opportunities to advance high-quality development in 2024. On one hand, CEL will adhere to its main business of private fund investment management while actively exploring the essence and extension of asset management business. CEL will optimize its investment layout around "three new and one high" strategy, and prioritize technological innovation, advanced manufacturing, green development, etc. Leveraging the adjustment period of industrial policies, CEL will press ahead with business transformation and upgrading to facilitate high-quality development in cross-border asset management. With concerted efforts, CEL will develop and move forward steadily in the challenging market environment, aiming to share development achievements with its shareholders.