

Press Release

19 March 2020

**China Everbright Limited Announces 2019 Annual Results
New Strategy Shapes New Future
*AUM Increases to HK\$157.0 billion, Hitting Historical High***

- **New “One, Four, Three” strategic plan was launched with an aim to fully transform into a “Leading cross-border asset management company in the world”**
- **Total amount of newly raised funds reaches approximately HK\$20.3 billion, ranking top among Chinese institutions peers**
- **AUM increases to HK\$157.0 billion, reaching historical high, up 9% year on year**
- **Leveraging cross-border capability, non-RMB AUM increases to 26%**
- **Management fee income increases 7% to HK\$895 million, recurrent income further increases contribution to total income increasing income stability**
- **Maintains stable dividend payout ratio of 36.2%, and declares annual dividend of HK\$0.48 per share**

China Everbright Limited (“Everbright” or “the Group”, stock code: 165.HK) today announced its annual results for the year ended 31 December 2019.

Despite a challenging macroeconomic and private equity industry situation in 2019, Everbright has rapidly transformed and launched various initiatives to cope with the challenges. In 2019, the asset under management (AUM) reached HK\$157 billion, up 9% compared with the same period last year, reaching a historical high, with 69 funds and 188 post-investment projects under management.

A relatively complex external environment which began at the start of 2019 had impacted the operating results of Everbright to a certain extent. Everbright focused on solving the problem in the second half of the year, and implemented its strategic transformation towards an asset management company, and this had successfully helped the Company to stay resilient against impacts from the external environment and industry downturn. In 2019, Everbright recorded a total income of HK\$ 5,519 million, representing an increase of 2% compared with the same period last year. The profit attributable to shareholders of the Company for the year was HK\$ 2,237 million, representing a decrease of 28% compared to the same period last year. Earned Management Fee Income in fund management business segment was HK\$895 million, representing an increase of 7% compared with the same period last year. In order to reward the shareholders for their support, the Board of Directors declared a final dividend of HK\$0.23 per share. Together with the interim dividend of HK\$0.25 per share already paid, the aggregate dividend for the year was HK\$0.48 per share, with the dividend payout ratio increased 0.4 percentage points to 36.2%.

2019 Annual Business Highlights

New strategy shapes new future

In 2019, Everbright drafted and announced its brand new “One, Four, Three” strategic plan, with a goal to fully transform into a “Leading cross-border asset management company in the world”. With the new strategy, Everbright has a clearer development direction, with each initiative executed rapidly, resulting in stable financial indicators, laying a strong foundation to forge ahead to the future. During the year, Everbright joined the list of Top 100 of the World Private Equity Firms (assessed by international influential institution, PEI 300).

Fund management business grows despite headwinds

During the year, the AUM of the funds managed by Everbright reached approximately HK\$157 billion, hitting a record high. Total funds raised amounted to approximately HK\$20.3 billion for the year, with net increase in AUM at approximately HK\$13.5 billion. It managed to achieve business growth despite overall industry downturn with only a handful of firms in China achieving a fundraising scale of over RMB10 billion. Leveraging the cross-border capabilities, the non-RMB currencies denominated AUM grew by 26% to an equivalent of HK\$40.2 billion.

Last year, Everbright’s fund-of-funds successfully set up new funds in Guangzhou, Suzhou, and Taizhou, increasing AUM by RMB3.5 billion, which strengthened regional economic cooperation with local governments and contributes to local economic transformation and upgrade. As of the end of 2019, Everbright’s fund of funds has a total of seven funds under management with a total AUM over RMB 20.6 billion.

In terms of business development, fund-of-funds has completed strategic deployment in East China, South China and Central China regions, and is also actively expanding overseas businesses. Furthermore, fund-of-funds has actively cooperated with China Everbright Bank and Everbright Securities on fundraising, investment, management and project exit, which effectively promoted the positive interaction and synergistic coordination with the subsidiaries of Everbright.

Four major strategic platforms develop rapidly, strategic position continues to advance

Under the guidance of the new strategy, Everbright has strengthened the support on relevant fields, as well as the upstream and downstream of industrial chains for the leading enterprises which it has incubated and nurtured, and has further promoted the positive interaction of industrial investment and asset management. The four platforms, China Aircraft Leasing (CALC), Everbright Jiabao / EBA Investments, Everbright Senior Healthcare and Terminus have either maintained their leading positions in the industry or realised strategic advancement.

CALC obtained the first aircraft disassembly license and became a one-stop aircraft full life-cycle solutions provider. In 2019, Everbright increased its stake in CALC to 35.67%. The profit attributable to the Group increased to HK\$319 million, up 15% compared with the same period last year. CALC ranks among the top ten aircraft leasers in the world in terms of fleet size and number of aircraft in its orderbook.

Everbright holds 29.17% stake of Everbright Jiabao. Having issued two REITs, Everbright Jiabao’s subsidiary EBA Investments has been ranked No. 1 in the “Top 10 Funds in terms of Comprehensive Strength among China Real Estate Funds” for a fifth consecutive year, gaining wide recognition from the capital market.

Everbright Senior Healthcare introduced new shareholders, including Everbright Financial Holding Asset Management, Sun Life Everbright Life Insurance and Everbright Industry, becoming a benchmark enterprise in the senior healthcare industry in China. With business presence in 24 core cities across the country and managing nearly 80 elderly centers and over 21,000 beds, Everbright Senior Healthcare entered into the ranking of the top five players in the senior healthcare industry in China as of 2019.

During 2019, Terminus completed C-round financing led by Everbright, and this was followed by well-known institutions such as Jingdong. As of the end of 2019, Terminus had obtained a total of 720 patents, including 417 invention patents. It also became one of the first batch of intelligence of things companies to pass the "Multilevel Protection of Information Security Scheme (MLPS) 2.0" standard assessment.

Leveraging outstanding asset management and investment expertise to fulfil social responsibilities

In 2019, Everbright leveraged its professional financial expertise and strengthened regional economic cooperation with various local governments and institutions in China. It established the Taizhou CEL Big Health Industry Fund and the Guangzhou CEL Guangzhou-Hong Kong-Macau Youth Venture Fund-of-Funds and is committed to achieving a "win-win" outcome that is beneficial to both local economic development and investor returns.

In face of the COVID-19 epidemic at the beginning of 2020, Everbright actively undertook its social responsibility as a state-owned enterprise, promoting the establishment of the East Lake CEL Science & Finance Innovation Fund and the CCC Wuhan Optics Valley B&R Industry Fund, with the aim of helping coordinate and facilitate epidemic prevention and control as well as economic and social development in Wuhan.

In addition, Everbright will actively respond to the Chinese government's promotion of green development by focusing on facilitating green infrastructure construction, green investment and green finance. The establishment of the Everbright Belt & Road Green Fund and the Air Silk Road Fund is underway.

Strategies and Outlook

In 2020, the global economy is expected to forge forward in the midst of uncertainty. On the one hand, a new round of technological revolution and industrial upgrading are accelerating the reshaping of the world economy. On the other hand, the tensions among great powers are ongoing and geopolitical order remains in the rebalancing process. As the year begins, the outbreak of COVID-19 has increased the uncertainty in global economic growth. However, the combined effect of strengthened counter-cyclical policies and the new round of opening-up policies, coupled with the cyclical improvement of corporate profits, are expected to bring support to the economy.

As crises create opportunities, Everbright will strive to capture the structural opportunities for investment worldwide and step forward with more stability, further promote its transformation, so as to strengthen its operating performance, mitigate risks and maximise the returns to investors. Specifically, Everbright will adopt the following strategies:

Enhancing brand advantage and expanding fundraising scale

Everbright will continue to leverage the brand advantages of its China's leading asset management institutions to consolidate and strengthen fundraising capabilities, so as to further expand its fundraising scale.

Deepening its industry-focused strategy and making investments steadily

Everbright will continue to focus on the leading enterprises which it has incubated and nurtured, fortify the construction of its ecosystem platforms by deepening the support on relevant fields and upstream and downstream of the industrial chain, and further promote the interaction of industrial investment and asset management. Everbright will also focus on nurturing enterprises in industries on which Everbright has extensive asset management experience, such as high-end manufacturing, core technology, food and beverage and medical and health, and promote the development of enterprises with high potential to become industry leaders.

Strengthening cross-border presence with internal expansion and external alliance

Everbright will further expand its cross-border business and strengthen its overseas presence by expanding foreign operations, acquiring overseas companies or setting up asset management joint ventures locally. Besides, Everbright will focus on the Belt and Road initiative and continue to implement the strategies of “venturing out” and “bringing in” in the fields of infrastructure and high-end new technology.

Mitigating risks and operating steadily

In the face of potential exposure of industry concentration risk in industries such as private equity and real estates during the economic downturn, Everbright will take positive steps to respond to and handle challenges cautiously, striving to mitigate risks properly.

Mr. Zhao Wei, Executive Director & Chief Executive Officer of China Everbright Limited said, “The year 2019 marks the first year of Everbright’s implementation of the strategic transformation. In 2020, adhering to the core principle of progress with transformation, Everbright will continue to carry out the transformation strategy to build alternative asset management systems and competitive advantage, aiming to become the world’s leading cross-border asset management company. Deeply rooted in China, Everbright aims at the global market and keeps forging ahead in a prudential, yet enterprising manner to create an even better future with all our partners, offering the best returns to investors, creating the greatest value for our company and provide shareholders with the most stable growth.”

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The 2019 Annual Results Announcement is available on the Company’s official website:
www.everbright.com.