光大控股
EVERBRIGHT

Press Release

31 March 2014

Everbright announces FY2013 annual results

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Net profits increase by 18% to HK$1.35 billion
Assets under management surges 44.4% with diversified product offerings

Results Highlights (HK$ million)	FY 2013	FY 2012	Change
Operating Income	1,162	890	31%
Profit attributable to shareholders by Hong Kong Business	1,093	727	50%
Profit before tax from major business segments			
- Primary Market Investment	783	289	170%
- Secondary Market Investment	(51)	10	N.A.
- Structured Finance & Investment	237	707	(66%)
- Aircraft Leasing	82	40	105%
Profit attributable to equity shareholders	1,347	1,142	18%
Earnings per share (HK$)	0.783	0.663	18%
Full year dividend per share (HK$)	0.31	0.26	19%
- Interim dividend	0.11	0.11	-
- Final dividend	0.20	0.15	33%

China Everbright Limited ("Everbright" or "the Group", stock code: 165.HK) today announced its audited annual results for the year ended 31 December 2013.

The Group's operating income amounted to HK$1.16 billion, representing an increase of 31%. Other net income, which mainly consists of investment gain, increased 5.1% to HK$1.14 billion. Profit attributable to equity shareholders was HK$1.35 billion, 18% higher than the previous year. Earnings per share was HK$0.783, up 18%. The Board has resolved to recommend a final dividend of HK$0.20 per share for the year 2013 (FY2012: HK$0.15). Together with the interim dividend of HK$0.11 per share, the full year dividend for 2013 is HK$0.31 per share (FY2012: HK$0.26 per share), representing 19% year-on-year growth.

The Hong Kong Business, which focused on the cross-border asset management, reported promising returns as stable income from management fees, consulting fees and interest increased 22.8% to HK$586 million. This was despite China Everbright Securities recording a 10% drop in share of profit attributable to equity shareholders, at HK$134 million, and China Everbright Bank distributing 55% less in dividend, at HK$120 million. The Hong Kong Business reported a 50.3% growth in profit attributable to equity shareholders at HK$1.09 billion, accounting for 81% of total profits (FY2012: 64%). After counting out the disposal gain of 36 million shares of China Everbright Bank at HK$90 million, the Hong Kong Business still achieved a 38% increase in profit after tax,

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which offset the impact of the profit reduction from both China Everbright Securities and China Everbright Bank.

In 2013, the four core business segments under the Hong Kong business saw favorable development in terms of amount of capital under management and diversification of product offerings. As at the end of 2013, the Group's Macro Asset Management platform managed a total of 16 funds. Fundraising scale amounted to HK$33.3 billion, representing significant growth of 44.8%, while assets under management grew 44.4% to approximately HK$34.5 billion. Over the last five years, Everbright attributed its growth to competitive advantages such as extensive connections, international perspective of operations and promising investment track record. These advantages enabled Everbright to capitalise on the liberalisation of Chinese economy and the country's financial reforms, transforming itself to a cross-border asset management firm with global vision and a thorough comprehension of national development, helping it lay a solid foundation for sustainable future development.

To put more resources into developing its cross-border asset management business, the Group divested some of its non-core assets in the year under review. It transferred 36 million shares to its parent company, China Everbright Group, in December 2013, generating a profit of HK$90 million. In February 2014, it scaled down its interest in China Everbright Bank to just 3.51%.

Business Review

Primary Market Investment – This business, which includes three private equity funds, three venture capital funds and five sector funds, added 26 investment projects and exited 5 projects, for a total of 70 in the year under review. Assets under management increased substantially to approximately HK$30 billion, and growth in management fees soared 83.2%. The Primary Market Investment Business reported a profit before tax of HK$783 million, representing a 170% increase over FY2012.

In 2013, Anhui Yingliu Electromechanical held by the Private Equity Fund successfully completed the final stage of preparations for its A-shares initial public offering during the year. It was listed on the Shanghai Stock Exchange on 22 January 2014 (stock code: 603308), becoming part of the first batch of listed companies following the reactivation of IPOs in China. Its first-day closing price was 34% over its issue price. Venture Capital Funds divested their first project, Shenzhen Jiawei, on China's ChiNext Board in Shenzhen (stock code: 300317), achieving an attractive return of investment. For Sector Funds, Everbright Ashmore Real Estate Fund (included both USD-denominated and RMB-denominated parts) saw rapid growth as its assets under management increased to USD2.06 billion, generating remarkable contributions to stable income. Its USD-denominated fund successfully divested the Chongqing City IMIX Park project, which realised an IRR of approximate 26%. In addition, the Group jointly set up the RMB-denominated Shandong Expressway Industrial Fund with Shandong Expressway Group in 2013. Through the Fund, the Group participated in financing major projects for Shandong Expressway Group and helped it revitalise its stock of assets through securitisation.

Secondary Market Investment – This business is currently divided into traditional asset management and the global absolute return fund. It recorded a loss for the year under review, which resulted from the loss of the global absolute return fund. In the Traditional Asset Management sector, fixed income products performed well in 2013. The Greater China QDII Trust Scheme and the Everbright Dynamic Bond Fund reported net fee returns of 8.4% and 13.4%

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respectively, compared to their benchmark returns of -1.0% and 2%. In addition, the Group successfully obtained QFII and RQFII qualifications from the China Securities Regulatory Commission, enabling it to explore more cross-border investment opportunities and expand its clientele to overseas markets. The Global Absolute Return Fund established a robust operating system after a year of enhancement, providing diversified asset allocation options for clients.

Structured Finance and Investment – This business is divided into Capital Investment and Financing, and the RMB Mezzanine Fund. Since there were fewer divestment opportunities in 2013, the business division reported a decline in revenue for the year. However, the business still grew healthily by expanding from managing seed capital to external funding. It has also started raising the USD-denominated mezzanine fund. In 2014, it is expected that the acceleration of China's economic structure transformation and the potential increase in interest rate will lead to a rise in demand for corporate financing and asset securitisation.

Aircraft Leasing – According to official data released in early 2014 by Boeing, Chinese carriers will need 5,580 new aircraft over the next 20 years, at a total value of over US$780 billion. The Group anticipates strong demand for aircraft leasing services from the domestic aviation market. In 2013 China Aircraft Leasing Company Limited ("CALC"), of which the Group holds approximately 44%, fully utilised its shareholders' connection and capital strengths to drive significant growth. During the year, CALC expanded its fleet from 16 aircrafts to 25, and the newly acquired Airbus A320 series aircraft purchased from in 2012 have started to be delivered in phases.

Outlook and Strategies

The Group will implement three major corporate strategies in 2014, enabling each fund to operate under a comprehensive management platform and achieve rapid growth. First, it plans on expanding the funds' asset scale via organic growth and enhance product offerings. Second, it will establish a unified and professional sales platform to better integrate clients' resources, sales strategies and marketing synergy under one roof with the aim of driving cross-business sales. The Group believed this will also help satisfy clients' diversified investment needs. Third, it will continue investing in a robust back-office system to oversee and optimise the existing financial, risk control and management structure.

Everbright's Executive Director and Chief Executive Officer, Mr. Chen Shuang, said, "Looking forward, we will see continuing trends of recovery and uncertainty in 2014. Everbright will seize business opportunities arising from the globalisation of Renminbi, market-driven interest and exchange rates, and overseas business opportunities from the financial reforms. We are committed to building a cross-border asset management platform that ***combines its competitive advantages with high growth, solid returns and stable income***. We are confident that with our thorough understanding of the Chinese economy and the sectorial changes taking place, we can seek investment opportunities for domestic and overseas investors, as well as to connect overseas investment opportunities with domestic enterprises' expansion needs, enabling rapid growth. We are looking forward to making a fruitful profit and return for our shareholders and clients."

– Ends –

The announcement of the annual results ended 31 December 2013 is available on the official website of the Company (www.everbright165.com) for reference.

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