



## **Firmly Promote Reforms, Focus on New Quality Productive Forces**

### **China Everbright Limited Announces 2024 Interim Results**

#### **Financial Highlights of 2024 Interim Results:**

- Total assets under management (AUM) approximated HKD 122.3 billion;
- Net loss attributable to CEL shareholders amounted to HKD 1.282 billion;
- Strengthened lean management to control costs and improve efficiency, with operating cost down 6.8% year-on-year;
- Optimized debt duration and currency structure, reduced financing costs, successfully issued two tranches of Panda medium-term notes totaling RMB 8.5 billion;
- Sustained ample liquidity, maintained cash and cash equivalents of approximately HKD 9.7 billion, with available but undrawn bank credit lines of approximately HKD 10.8 billion;
- Maintained dividend distribution, with an interim dividend of HKD 0.05 per share.

On August 29, 2024, China Everbright Limited (“CEL” or “the Company”, stock code: 00165.HK) announced its interim results for the six-month period ending June 30, 2024 (Reporting Period).

In the first half of 2024, the Chinese private equity industry continued to undergo endogenous structural reforms, with ongoing pressures in fundraising and exit. Moreover, the capital market continued to be regulated, impacting CEL’s overall performance. The Company recorded a net loss of HKD 1.282 billion attributable to shareholders due to fluctuations in the market value or decline in valuations of investment projects. It was primarily caused by unrealized investment losses, with a limited impact on cash flow.

Confronted with a challenging market environment, CEL endeavored to overcome difficulties, build consensus on reform and implement transformation and upgrading. On the one hand, the company increased efforts on exit for cash flow-back; on the other hand, it reinforced lean management to control costs and enhance efficiency while maintaining healthy and steady operational development. During the reporting period, the company achieved cash return of HKD 1.810 billion at the fund level, resulting in an overall gain of around HKD 979 million against costs, with the multiple on invested capital (MOIC) of approximately 2.18 times. By enhancing



lean management, lowering financing costs, and controlling operating costs, the company successfully issued two tranches of Panda medium-term notes totaling RMB 8.5 billion to optimize the debt maturity and currency structure. Through the enhancement of technology and electronic applications, operating efficiency was improved, leading to a year-on-year decrease in operating costs of 6.8%. The company maintained ample liquidity with cash and cash equivalents of about HKD 9.7 billion and available but undrawn bank credit lines of approximately HKD 10.8 billion.

During the reporting period, CEL concentrated on enhancing the financial “Five Major Articles” and providing financial support for new quality productive forces. The company clarified its strategies, promoted strategic optimization around main businesses, and nurtured the growth of “patient capital.” The total AUM under the company was about HKD 122.3 billion, managing 72 fund products covering primary market funds, secondary market funds, and fund of funds.

By adhering to the concept of sharing business results with shareholders, the Board of Directors declared an interim dividend for 2024 of HKD 0.05 per share (2023 interim dividend: HKD 0.15 per share).

### **Business Highlights of 2024 Interim Results:**

In the first half of 2024, CEL further focused on main businesses, strengthened management across all business segments of “fundraising, investment, management, exit, and transition”, reinforced internal controls, continuously improved risk prevention capabilities, deeply analyzed policies like the Seventeen Measures for Venture Capital to explore development opportunities in line with the company’s main businesses.

#### **I. Steady Development of Fund Management Business with Orderly Progress in Fundraising, Investment, Management, Exit and Transition**

**Advance the fundraising work steadily, with a focus on key regions.** The company actively carries out fund raising, increase the depth of cooperation with local governments, listed companies, family offices and other LPs, and strive to promote the implementation of funds in key areas.

**Prudent investment opportunities were targeted to promote industrial synergy.** During the

reporting period, Everbright Belt & Road Green Fund has entered into a partnership with Yizhuang Automobile Fund to jointly support upstream and downstream projects in the smart



grid automobile industry chain in Beijing and the Beijing Economic-Development Area, so as to promote the development of smart grid automobile-related industries in Beijing.

**Strengthen post-investment management to assist several companies in their financing and listing.** The company gave more support for strategic planning and capital market development planning of invested companies. The company supported a number of companies in completing subsequent rounds of financing and submitting listing applications. In particular, Longcheer Technology, an ODM of smart products, and Arbe, a 4D imaging radar solution provider, have successfully been listed and dual listing respectively.

**Strategically exit ongoing projects and realize favorable investment returns.** During the reporting period, funds managed by the company has exited HK\$1.81 billion through project exits and dividend payment. After exiting key projects including Jingdong Logistics, brought an overall gain of approximately HK\$979 million to funds compared with costs, and the multiple on invested capital (MOIC) was approximately 2.18 times.

## **II. Continued Promotion of Industry-Finance Integration: Deepen Focus on Key Regional Layouts**

**Actively foster industrial exchanges to support Hong Kong's technological innovation development.** The company has reached an agreement with renowned professors from a number of universities in Hong Kong to jointly apply for the RAISE+ Scheme launched by the Hong Kong Government to facilitate the commercialization of technological innovations of the universities in Hong Kong. Linking mainland, Hong Kong and overseas technology industry exchange opportunities, as a co-organizer, the company supported the first international innovation and entrepreneurship competition of the Chinese University of Hong Kong, Shenzhen.

**Press ahead with industry-finance integration to empower the high-quality development of the company.** Focusing on the potential of industry-financing synergies, the company has empowered the high-quality development of key invested enterprises, and assisted China Aircraft Leasing in realizing the overseas launch of the domestic ARJ21 aircraft, which is the first cross-border RMB settlement project in China regarding domestic aircraft.

**Deepen focus on key regional layouts to foster driving force for high-quality development.** Focusing on the development of key regions, the company has strengthened the layout of key industries, and continued to promote the development of Beijing-Tianjin-Hebei, Yangtze River Delta, and Guangdong-Hong Kong-Macao Greater Bay Area, so as to create an engine of high-quality development.



### **III. Constant Improvement in Lean Management Capabilities and Operational Skills**

**Actively optimize the debt structure to significantly reduce financing costs.** The company successfully issued two tranches of Panda medium-term notes totaling RMB 8.5 billion, receiving enthusiastic subscriptions from banks and non-bank institutional investors. This facilitated the replacement of existing loans, optimized the debt duration and currency structure, and lowered financing costs.

**Coordinate development with safety and improve the management system.** The company has strengthened and improved the institutional framework for multiple risk prevention, control and corporate governance, and further strengthened valuation management. The company has strengthened the regulation and management of investment business and key business areas to enhance professionalism and compliance.

### **IV. Proactive Effort to Take on Social Responsibility and Practice Green and Low-Carbon Concepts**

**Fulfill social responsibilities and create a distinctive brand for CEL.** The company actively promoted the branding of its distinctive social responsibility projects, actively supported the HKSAR Government's "Strive and Rise" program, participated in the "New Graduates-New Opportunities Scheme" program of the China Enterprises Association, cared for grassroots youth and the elderly in Hong Kong, and continued to promote the revitalization of villages and consumer assistance. The company also continues to promote the revitalization of villages and consumer assistance, fulfilling social responsibilities to a high standard.

**Actively practice green and low-carbon concepts, and continuously improve the ESG management system.** The company continued to optimize its ESG management system in the areas of adjusting management structure, practicing green and low-carbon concepts, optimizing internal management, and fulfilling the social responsibility of central enterprises in Hong Kong, and its MSCI ESG rating was maintained at "BBB" in the first half of the year.

### **V. Stable Development of Key Investment Enterprises and Continuous Increase in Market Recognition**

CALC revenues remained steady, with shareholder profit of HKD 132 million in the first half of the year, maintaining steady dividends for shareholders. The fleet expanded to 199 aircraft, an increase of 5 aircraft since the end of 2023, including 172 owned and 27 managed. Everbright Pension retains its leading position in the industry, with 183 various service points, thereby forming an important layout in the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and



the Chengdu-Chongqing Economic Circle. Terminus actively explored the commercialization of large models to continuously enhance the company's overall competitiveness.

Looking ahead to the second half of 2024, CEL remains confident in the Chinese economy and the private equity market, as well as in the corporate strategic transformation achievements. The company will continue to strengthen its efforts in the financial “Five Major Articles” and new quality productive forces, implement national strategies that focus on long-term investments and hard technology, and fully support the development and growth of patient capital and new quality productive forces. Grounded in cross-border asset management, the company aims to serve the new dual-circulation development pattern, continually enhance core competitiveness, and promote high-quality development in cross-border asset management, thereby creating sustained value for shareholders.