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CHINA EVERBRIGHT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 165)

CONNECTED TRANSACTION RENEWAL OF LEASE OF PREMISES

Reference is made to the announcement of the Company dated 13 November 2019 in relation to the Existing Tenancy Agreement. The Existing Tenancy Agreement will expire on 14 November 2022.

The Board announces that on 11 November 2022, CEL Management Services, a wholly owned subsidiary of the Company, as the tenant, entered into the New Tenancy Agreement with Gardex, as the landlord, to renew the existing lease of the Premises for a term of 2 years from 15 November 2022 to 14 November 2024 (both days inclusive).

The Directors (including the independent non-executive Directors) are of the view that the New Tenancy Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Group, the terms of the New Tenancy Agreement are fair and reasonable and that the New Tenancy Agreement is in the interests of the Group and the Shareholders as a whole.

Gardex is a wholly owned subsidiary of CE Hong Kong. As at the date of this announcement, CE Hong Kong, through its wholly owned subsidiaries, is interested in approximately 49.74% of the total issued share capital of the Company and is the controlling shareholder of the Company. Accordingly, Gardex, being an associate of CE Hong Kong, is a connected person of the Company and the entering into of the New Tenancy Agreement constitutes a connected transaction of the Company under the Listing Rules.

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the New Tenancy Agreement is more than 0.1% but all of them are less than 5%, the entering into of the New Tenancy Agreement will be subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement as set out in Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 13 November 2019 in relation to the Existing Tenancy Agreement. The Existing Tenancy Agreement will expire on 14 November 2022.

The Board announces that on 11 November 2022, CEL Management Services, a wholly owned subsidiary of the Company, as the tenant, entered into the New Tenancy Agreement with Gardex, as the landlord, to renew the existing lease of the Premises for a term of 2 years from 15 November 2022 to 14 November 2024 (both days inclusive).

THE NEW TENANCY AGREEMENT

The principal terms of the New Tenancy Agreement are as follows:

Date : 11 November 2022

Parties : (i) CEL Management Services, as the tenant; and
(ii) Gardex, as the landlord

Gardex is a wholly owned subsidiary of CE Hong Kong. As at the date of this announcement, CE Hong Kong, through its wholly owned subsidiaries, is interested in approximately 49.74% of the total issued share capital of the Company and is the controlling shareholder of the Company. Accordingly, Gardex, being an associate of CE Hong Kong, is a connected person of the Company.

Premises : The whole of 48th Floor of Far East Finance Centre, No. 16 Harcourt Road, Hong Kong, with a total saleable area of approximately 7,562 sq. ft..

Lease term : 2 years commencing on 15 November 2022 and expiring on 14 November 2024 (both days inclusive).

Rent : Monthly rent of HK\$627,096.00 (exclusive of rates, management fees, water, electricity and other utility charges in respect of the use of the Premises during the lease term) payable monthly in advance on or before the 1st day of each and every calendar month.

The monthly rent was determined by the parties on an arm's length basis with reference to the prevailing market rent and the rental valuation report of the Premises conducted by an independent property valuer engaged by CEL Management Services, where the monthly market rent of the Premises was valued at HK\$627,000.00.

Use : Office

REASONS FOR AND BENEFITS OF THE NEW TENANCY AGREEMENT

The Premises have been used as the Company's additional office space and the Existing Tenancy Agreement will expire on 14 November 2022. Having considered (i) the fact that current principal place of business of the Company is at the same building of the Premises; (ii) the rental under the New Tenancy Agreement is comparable to the prevailing market rent of comparable properties in the vicinity of the Premises; and (iii) the relocation costs and associated time and expenses that might be incurred by the Company for relocating to another suitable premises, the Company considers it beneficial to renew the existing lease of the Premises as the additional office space of the Company.

The terms of the New Tenancy Agreement were arrived at after arm's length negotiation between the parties to the New Tenancy Agreement. The Directors (including the independent non-executive Directors) are of the view that the New Tenancy Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Group, the terms of the New Tenancy Agreement are fair and reasonable and that the New Tenancy Agreement is in the interests of the Group and the Shareholders as a whole.

None of the Directors have a material interest in the New Tenancy Agreement. However, in view of good corporate governance practices, Mr. Yu Fachang, being both a non-executive Director and Chairman of the Company, and also a director of CE Hong Kong had abstained from voting on the relevant Board resolutions approving the New Tenancy Agreement.

LISTING RULES IMPLICATIONS

Gardex is a wholly owned subsidiary of CE Hong Kong. As at the date of this announcement, CE Hong Kong, through its wholly owned subsidiaries, is interested in approximately 49.74% of the total issued share capital of the Company and is the controlling shareholder of the Company. Accordingly, Gardex, being an associate of CE Hong Kong, is a connected person of the Company and the entering into of the New Tenancy Agreement constitutes a connected transaction of the Company under the Listing Rules.

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the New Tenancy Agreement is more than 0.1% but all of them are less than 5%, the entering into of the New Tenancy Agreement will be subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement as set out in Chapter 14A of the Listing Rules.

GENERAL

The Company, through its subsidiaries and associates, is principally engaged in the provision of financial services and persistently pursues the cross-border macro asset management strategy, with specific focuses on fund and investment business.

CEL Management Services is a company incorporated under the laws of Hong Kong with limited liability and is a wholly owned subsidiary of the Company. CEL Management Services is principally engaged in provision of management services.

Gardex is a company incorporated under the laws of the British Virgin Islands with limited liability and is principally engaged in property investment. Gardex is a wholly owned subsidiary of CE Hong Kong which in turn is wholly owned by CE Group.

CE Group is a joint stock company incorporated under the laws of the PRC and an indirect controlling shareholder of the Company. CE Group is a conglomerate which, through its subsidiaries and associates, engages in a diverse range of businesses including banking, securities and asset management. It is owned by Central Huijin, MOF and SSF.

DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CE Group”	中國光大集團股份有限公司 (China Everbright Group Ltd.*), a joint stock company incorporated under the laws of the PRC holding 100% equity interest of CE Hong Kong

“CE Hong Kong”	China Everbright Holdings Company Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect controlling shareholder of the Company
“CEL Management Services”	CEL Management Services Limited, a company incorporated under the laws of Hong Kong with limited liability and is a wholly owned subsidiary of the Company
“Central Huijin”	中央匯金投資有限責任公司 (Central Huijin Investment Ltd.*), a company incorporated under the laws of the PRC with limited liability
“Company”	China Everbright Limited (中國光大控股有限公司), a company incorporated under the laws of Hong Kong with limited liability and whose shares are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Tenancy Agreement”	the tenancy agreement dated 13 November 2019 entered into between Gardex and CEL Management Services, pursuant to which Gardex has agreed to lease the Premises to CEL Management Services for a term of 3 years commencing on 15 November 2019 and expiring on 14 November 2022 (both days inclusive)
“Gardex”	Gardex Investment Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly owned subsidiary of CE Hong Kong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MOF”	the Ministry of Finance of the PRC

“New Tenancy Agreement”	the tenancy agreement dated 11 November 2022 entered into between Gardex and CEL Management Services, pursuant to which Gardex has agreed to lease the Premises to CEL Management Services for a term of 2 years from 15 November 2022 to 14 November 2024 (both days inclusive)
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Premises”	the whole of 48 th Floor of Far East Finance Centre, No. 16 Harcourt Road, Hong Kong, with a total saleable area of approximately 7,562 sq. ft.
“Shareholders”	shareholders of the Company
“SSF”	全國社會保障基金理事會 (National Council for Social Security Fund of the PRC*)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
China Everbright Limited
Wan Kim Ying Kasina
Company Secretary

Hong Kong, 11 November 2022

As at the date of this announcement, the directors of the Company are:

Executive Directors

Mr. Zhang Mingao (*President*)
Mr. Wang Hongyang
Mr. Yin Yanwu

Non-executive Directors

Mr. Yu Fachang (*Chairman*)
Ms. Pan Wenjie
Mr. Fang Bin

Independent Non-executive Directors

Dr. Lin Zhijun
Dr. Chung Shui Ming Timpson
Mr. Law Cheuk Kin Stephen

** For identification purposes only*