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CHINA EVERBRIGHT LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 165)

CONNECTED TRANSACTION SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT

The Board announces that on 30 December 2022, Pioneer Act, the JV Partner and the Joint Venture entered into the Supplemental Agreement, pursuant to which the Shareholders' Agreement is supplemented to include the terms in relation to the Repayment, the Additional Shareholders' Loan and the Use of Capital Fee.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CE Hong Kong is interested in approximately 49.74% of the total issued share capital of the Company and is a controlling shareholder of the Company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the JV Partner is a wholly owned subsidiary of CE Hong Kong. As a result, the JV Partner, being an associate of CE Hong Kong, is a connected person of the Company pursuant to the Listing Rules.

Accordingly, each of the entry of the Supplemental Agreement and the payment of the Use of Capital Fee constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Use of Capital Fee payable by Pioneer Act to the JV Partner is more than 0.1% but all of them are less than 5%, the Supplemental Agreement and the payment of the Use of Capital Fee shall 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 Previous Announcement in relation to, inter alia, (i) the formation of the Joint Venture by Pioneer Act and the JV Partner and (ii) the entry into the Shareholders' Agreement. As at the date of this announcement, the Joint Venture continues to be owned as to approximately 16.67% by Pioneer Act and 83.33% by the JV Partner.

The Board announces that on 30 December 2022, Pioneer Act, the JV Partner and the Joint Venture entered into the Supplemental Agreement, pursuant to which the Shareholders' Agreement is supplemented to include the terms in relation to the Repayment, the Additional Shareholders' Loan and the Use of Capital Fee.

The principal terms of the Supplemental Agreement and other information relating thereto are set out below.

SUPPLEMENTAL AGREEMENT

The Repayment

As disclosed in the Previous Announcement, Pioneer Act and the JV Partner agreed to provide to the Joint Venture, the Existing Shareholders' Loans in the amount of HK\$1,000,000,000 and HK\$5,000,000,000, respectively. Pursuant to the Supplemental Agreement, the Joint Venture agreed to repay a portion of the outstanding balance of the Existing Shareholders' Loans owed to Pioneer Act in the amount of HK\$700,000,000.

The Repayment shall be completed within 1 Business Day of the date of the Supplemental Agreement.

The Additional Shareholders' Loan

Upon completion of the Repayment, the JV Partner agreed to provide a further shareholders' loan to the Joint Venture in the amount of HK\$700,000,000 for a maximum term of 36 months in order to ensure that the Joint Venture will continue to have sufficient working capital to meet its needs.

The Use of Capital Fee

In consideration for the JV Partner's provision of the Additional Shareholders' Loan, Pioneer Act agreed to pay to the JV Partner the Use of Capital Fee, an amount equivalent to an interest on the Additional Shareholders' Loan calculated at an interest rate of 1-month HIBOR plus 1.65% per annum payable at the end of each interest period on the last Business Day of each month until the Additional Shareholders' Loan is fully repaid by the Joint Venture.

If Pioneer Act fails to pay to the JV Partner the Use of Capital Fee pursuant to the terms of the Supplemental Agreement, Pioneer Act is liable for a default interest of 2% per annum higher than the rate which would have been payable on such outstanding Use of Capital Fee, accrued daily for each day such Use of Capital Fee remains outstanding.

The Use of Capital Fee, which can be recharacterized as interest charged by the JV Partner to Pioneer Act in consideration for the Additional Shareholders' Loan, was negotiated and agreed by the parties on an arm's length basis having taken into account the prevailing market interest rates and practices. The Use of Capital Fee payable by Pioneer Act to the JV Partner will be financed by the Group's internal cash resources.

Save as supplemented by the Supplemental Agreement, the Shareholders' Agreement shall remain in full force and effect in all respects.

REASONS FOR AND THE BENEFITS OF SUPPLEMENTAL AGREEMENT

The Company noted that the entry into the Supplemental Agreement, when is looked at in the whole, represents an alternative structure for the Company to indirectly obtain a financing from the JV Partner on normal commercial terms or better, which will supplement the Group's working capital and strengthen its financial resources to capture future investment opportunities.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Agreement are fair and reasonable, that the Supplemental Agreement is on normal commercial terms and in the ordinary and usual course of business of the Company, and that the Supplemental Agreement is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CE Hong Kong is interested in approximately 49.74% of the total issued share capital of the Company and is a controlling shareholder of the Company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the JV Partner is a wholly owned subsidiary of CE Hong Kong. As a result, the JV Partner, being an associate of CE Hong Kong, is a connected person of the Company pursuant to the Listing Rules.

Accordingly, each of the entry of the Supplemental Agreement and the payment of the Use of Capital Fee constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Use of Capital Fee payable by Pioneer Act to the JV Partner is more than 0.1% but all of them are less than 5%, the Supplemental Agreement and the payment of the Use of Capital Fee shall 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.

None of the Directors have a material interest in the Supplemental Agreement and the payment of the Use of Capital Fee. 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 Supplemental Agreement and the transactions contemplated thereunder.

INFORMATION ON THE COMPANY AND THE PARTIES

Information on Pioneer Act

Pioneer Act is a company incorporated under the laws of the British Virgin Islands with limited liability. It engages in the business of investment holding and is a wholly owned subsidiary of the Company.

Information on the Group

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.

Information on the JV Partner

The JV Partner is a company incorporated under the laws of Hong Kong with limited liability and engages in the business of investment holding. The JV Partner is a wholly owned subsidiary of CE Hong Kong which in turn is wholly owned by CE Group.

CE Hong Kong is a conglomerate which, through its wholly owned subsidiaries, is interested in approximately 49.74% of the total issued share capital of the Company as at the date hereof and is principally engaged in investment holding.

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.

INFORMATION ON THE JOINT VENTURE

Information on the Joint Venture

The Joint Venture is a company incorporated under the laws of the British Virgin Islands with limited liability. It engages in the business of investment holding. As at the date of this announcement, the Joint Venture is owned as to approximately 16.67% by Pioneer Act and 83.33% by the JV Partner.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Additional Shareholders’ Loan”	the additional shareholders’ loan in the amount of HK\$700,000,000 to be provided to the Joint Venture by the JV Partner, pursuant to the Supplemental Agreement
“Board”	the board of Directors
“Business Day”	a business day for the usual operation of commercial banks in Hong Kong other than a Saturday or Sunday or public holiday in Hong Kong or a day on which a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning signal is hoisted at any time between 9 a.m. and 5 p.m.
“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
“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 this term under the Listing Rules
“controlling shareholder”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Shareholders’ Loans”	the existing shareholders’ loans in the amount of HK\$1,000,000,000 and HK\$5,000,000,000 that have been provided to the Joint Venture by Pioneer Act and the JV Partner, respectively, pursuant to the Shareholders’ Agreement
“Group”	the Company and its subsidiaries
“HIBOR”	the Hong Kong Interbank Offered Rate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture”	Profit Plus Global Limited, a limited liability company incorporated under the laws of the British Virgin Islands which as at the date of this announcement is owned as to approximately 16.67% by Pioneer Act and 83.33% by the JV Partner
“JV Partner”	Everbright Real Estate Limited, a limited liability company incorporated under the laws of Hong Kong which is a wholly owned subsidiary of CE Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOF”	the Ministry of Finance of the PRC
“Pioneer Act”	Pioneer Act Investments Limited, a limited liability company incorporated under the laws of the British Virgin Islands which is a wholly owned subsidiary of the Company
“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)
“Previous Announcement”	the announcement issued by the Company dated 25 February 2016 in relation to, inter alia, the formation of the Joint Venture and the entry into the Shareholders’ Agreement

“ Repayment ”	the repayment by the Joint Venture of a portion of the outstanding balance of the Existing Shareholders’ Loans owed to Pioneer Act in the amount of HK\$700,000,000
“ Shareholders’ Agreement ”	the shareholders’ agreement entered into between Pioneer Act, the JV Partner and the Joint Venture dated 25 February 2016
“ Shareholders ”	the 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
“ Supplemental Agreement ”	the supplemental agreement entered into between Pioneer Act, the JV Partner and the Joint Venture dated 30 December 2022, the principal terms of which are set out in the section of this announcement headed “Supplemental Agreement”
“ Use of Capital Fee ”	an amount equivalent to an interest on the Additional Shareholders’ Loan calculated at an interest rate of 1-month HIBOR plus 1.65% per annum to be paid to the JV Partner by Pioneer Act pursuant to the terms of the Supplemental Agreement
“ % ”	per cent.

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

Hong Kong, 30 December 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*