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CHINA EVERBRIGHT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 165)

U.S.\$300,000,000 SENIOR PERPETUAL CAPITAL SECURITIES

(Stock Code: 40430)

PROFIT WARNING

This announcement is made by China Everbright Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 and Rule 37.47B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that based on a preliminary assessment of the unaudited consolidated management accounts of the Group, the Group is expected to record a net loss of approximately HK\$7.50 billion to HK\$7.90 billion for the year ended 31 December 2022 (the “**Year**”), as compared to a profit of approximately HK\$2.77 billion for the year ended 31 December 2021. The fluctuation is mainly attributable to:

- (i) a net unrealised loss of approximately HK\$8.63 billion on the private equity investment projects held by the Group that have been listed but not yet exited, unlisted investment projects and the investments in the secondary market funds due to the drop in market prices and valuation and depreciation of Renminbi against Hong Kong dollars driven by the unfavourable market conditions during the Year (year ended 31 December 2021: a net unrealised gain of approximately HK\$2.48 billion);
- (ii) impairment losses of approximately HK\$2.11 billion on certain investments in associates, inventories, advances to customers and other provisions because of unfavourable market conditions during the Year (year ended 31 December 2021: approximately HK\$0.44 billion); and
- (iii) dividend income of approximately HK\$2.12 billion relating to increasing distributions from investments in funds as well as divestments of the Group during the Year (year ended 31 December 2021: HK\$0.90 billion).

The unrealised loss and impairment losses mentioned above have no direct cash flow impact on the Group. As at 31 December 2022, the Group’s cash position remains strong at approximately HK\$8.24 billion (31 December 2021: HK\$7.16 billion). The overall financial, business and operating positions of the Group remain healthy.

The information contained in this announcement is based only on a preliminary assessment of the unaudited consolidated management accounts of the Group for the Year, which have not yet been finalised and are subject to the review of the Company and completion of the audit by its auditor. The actual financial results of the Group for the Year may differ from the information contained in this announcement. Shareholders and potential investors of the Company are advised to refer to the annual results announcement of the Group for the Year, which is expected to be published in March 2023.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 17 February 2023

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