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CHINA EVERBRIGHT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 165)

CONTINUING CONNECTED TRANSACTION TENANCY AGREEMENT

The Board announces that on 22 November 2017, CEL Management Services, a wholly owned subsidiary of the Company, as the tenant, entered into the Tenancy Agreement with Newepoch, as the landlord, in respect of the lease of the Premises.

Newepoch 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, Newepoch, being an associate of CE Hong Kong, is a connected person of the Company and the entering into of the Tenancy Agreement constitutes a continuing 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 Tenancy Agreement is more than 0.1% but all of them are less than 5%, the entering into of the 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

The Board announces that on 22 November 2017, CEL Management Services, a wholly owned subsidiary of the Company, as the tenant, entered into the Tenancy Agreement with Newepoch, as the landlord, in respect of the lease of the Premises.

THE TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are as follows:

- Date : 22 November 2017
- Parties : (i) CEL Management Services, as the tenant;
and
(ii) Newepoch, as the landlord

Newepoch 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, Newepoch, being an associate of CE Hong Kong, is a connected person of the Company.

- Premises : Rooms 4101, 4105 and 4106, 41st Floor of Far East Finance Centre, No. 16 Harcourt Road, Hong Kong, with a total gross floor area of approximately 8,457 sq. ft.
- Lease term : 3 years commencing on 22 November 2017 and expiring on 21 November 2020 (both days inclusive).
- Rent : Monthly rent of HK\$779,786 (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.
- Rent free period : CEL Management Services shall be entitled to a rent free period of 3 months, which shall be from 22 November 2017 to 21 December 2017, from 22 April 2019 to 21 May 2019 and from 22 October 2020 to 21 November 2020.
- Effective rent : Approximately HK\$714,804 per 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\$717,000.
- Annual rent payable for each of the financial years ending 31 December 2017, 31 December 2018, 31 December 2019 and 31 December 2020 : 2017: HK\$251,544
2018: HK\$9,357,432
2019: HK\$8,577,646
2020: HK\$7,546,316
- Use : Office

ANNUAL CAPS

Based on (1) the monthly rent of HK\$779,786 payable under the Tenancy Agreement in the Company's financial years ending 31 December 2017, 31 December 2018, 31 December 2019 and 31 December 2020, and (2) the three-month rent free period as mentioned above, the annual caps for the Tenancy Agreement for the Company's financial years ending 31 December 2017, 31 December 2018, 31 December 2019 and 31 December 2020 shall not exceed HK\$252,000, HK\$9,358,000, HK\$8,578,000 and HK\$7,547,000 respectively.

REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT

The current principal place of business of the Company is at the same building of the Premises. In order to cope with the continuous development of the Group, the Premises have been rented for use as the Company's additional office space.

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

None of the Directors have a material interest in the Tenancy Agreement. However, in view of good corporate governance practices, Mr. Tang Shuangning, Dr. Cai Yunge and Mr. Chen Shuang, each of them being both a Director of the Company and a director of CE Hong Kong, had abstained from voting on the relevant Board resolution approving the Tenancy Agreement and its annual caps.

LISTING RULES IMPLICATIONS

Newepoch 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, Newepoch, being an associate of CE Hong Kong, is a connected person of the Company and the entering into of the Tenancy Agreement constitutes a continuing 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 Tenancy Agreement is more than 0.1% but all of them are less than 5%, the entering into of the 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 management and investment business, namely, primary market investment, secondary market investment, structured financing and investment, and aircraft leasing.

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.

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.

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

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 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
“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
“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
“Newepoch”	Newepoch Group Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly owned subsidiary of CE Hong Kong
“Premises”	Rooms 4101, 4105 and 4106, 41 st Floor of Far East Finance Centre, No. 16 Harcourt Road, Hong Kong
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 22 November 2017 entered into between Newepoch and CEL Management Services, pursuant to which Newepoch has agreed to lease the Premises to CEL Management Services
“%”	per cent

By order of the Board
Chan Ming Kin Desmond
Company Secretary
China Everbright Limited

Hong Kong, 22 November 2017.

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

Executive Directors

Dr. Cai Yunge (*Chairman*)
Mr. Chen Shuang (*Chief Executive Officer*)
Mr. Tang Chi Chun, Richard
Mr. Yin Lianchen

Independent Non-executive Directors

Mr. Seto Gin Chung, John
Dr. Lin Zhijun
Dr. Chung Shui Ming, Timpson

Non-executive Director

Mr. Tang Shuangning