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EVERBRIGHT GRAND CHINA ASSETS LIMITED
光大永年有限公司

(Incorporated in the British Virgin Islands with limited liability and transferred by way of continuation into the Cayman Islands)
(Stock code: 3699)

VOLUNTARY ANNOUNCEMENT
UPDATE ON DEVELOPMENT OF LITIGATION

This announcement is made by Everbright Grand China Assets Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of keeping the Shareholders and potential investors informed of the latest litigation proceedings of the Group.

Reference is made to the announcement of the Company dated 5 September 2019 (the “**Announcement**”) in relation to the Relevant Lawsuits. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The board of directors of the Company wishes to provide an update to the Shareholders and potential investors regarding the latest development of the Relevant Lawsuits between China Bohai Bank Chengdu Branch, the Plaintiff, and Chengdu Everbright, the Defendants. The Plaintiff and the Defendant have reached a settlement agreement dated 11 December 2019 (the “**Settlement Agreement**”). According to the Settlement Agreement, (i) the Plaintiff shall withdraw the Relevant Lawsuits; and (ii) all parties shall not assert their rights against each other under the tenancy agreements and property management agreements which are the subject matters of the Relevant Lawsuits and their respective supplemental agreements.

On 17 December 2019, the Chengdu City Qingyang District People’s Court (成都市青羊區人民法院) ruled that, pursuant to the Settlement Agreement, the Relevant Lawsuits were withdrawn and the Plaintiff shall bear the relevant court fees.

The Board considers that since the Relevant Lawsuits have been withdrawn, there is no material adverse effect on the business, results of operations and financial conditions of the Group.

By Order of the Board
Everbright Grand China Assets Limited
LIU Jia
Chairman

Hong Kong, 17 February 2020

As at the date of this announcement, the Board comprises Mr. Liu Jia and Mr. Lin Zimin as executive Directors; Ms. Tse Hang Mui and Mr. Li Yinzhong as non-executive Directors; and Mr. Tsoi David, Mr. Shek Lai Him Abraham, Mr. Lee Jor Hung and Ms. Yu Pauline Wah Ling as independent non-executive Directors.