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CHINA EVERBRIGHT INTERNATIONAL LIMITED

中國光大國際有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 257)

PROPOSED SPIN-OFF AND SEPARATE LISTING OF THE GREENTECH BUSINESS ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

POSSIBLE DISCLOSEABLE TRANSACTION

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

Reference is made to the announcement made by the Company on 10 November 2015 in relation to the possible spin-off and separate listing of the Greentech Business of the Company.

The Board is pleased to announce that on 8 June 2016, CEGL submitted a listing application form (Form A1) to the Stock Exchange for an application for the listing of, and permission to deal in, the CEGL Shares on the Main Board of the Stock Exchange. The Proposed Spin-off is subject to the requirements under PN15 and other relevant provisions of the Listing Rules. It is intended that upon completion of the Proposed Spin-off and the listing of the CEGL Shares, the Company will have an interest of not less than 50% in CEGL and therefore CEGL will remain as a subsidiary of the Company.

In giving due regard to the interests of the Existing Shareholders as required under PN15, it is intended that, if the Proposed Spin-off proceeds, an assured entitlement to the CEGL Shares will be provided to qualifying Existing Shareholders by way of a preferential offering in the global offering. The terms of such assured entitlement have not been finalised and will be announced in due course.

CEGL is currently a wholly-owned subsidiary of the Company. The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As all of the applicable percentage ratios represented by the Proposed Spin-off are expected to be 5% or more but less than 25%, the Proposed Spin-off, if proceeded, will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, no approval of the Shareholders will be required. The Company will comply with the applicable requirements of Chapter 14 of the Listing Rules as and when necessary.

It is currently proposed that, pursuant to the Global Offering, the CEGL Shares will be offered for subscription by way of an initial public offering in Hong Kong and international placement to professional, institutional and other investors.

Shareholders and public investors should note that there is no assurance that the approval of the Listing Committee of the Stock Exchange for the listing will be granted.

The listing of the CEGL Shares pursuant to the Proposed Spin-off is subject to, amongst others, the Listing Approval and the final decisions of the Board and of the board of directors of CEGL. The final decisions of the Board and of the board of directors of CEGL to proceed with the Proposed Spin-off and the Global Offering are dependent upon, among others, market conditions during the period leading up to the proposed Global Offering. Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off and the separate listing of the CEGL Shares will take place or as to when it may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off if and when appropriate.

1. INTRODUCTION

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

Reference is made to the announcement of the Company dated 10 November 2015 (the “**Announcement**”) regarding the Proposed Spin-off.

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

2. LISTING APPLICATION AND APPLICATION PROOF

The Board is pleased to announce that on 8 June 2016, CEGL submitted through its appointed sole sponsor, Goldman Sachs (Asia) L.L.C., a listing application form (Form A1) to the Stock Exchange applying for the listing of, and permission to deal in, the CEGL Shares on the Main Board of the Stock Exchange.

A redacted form of the application proof of CEGL’s listing document (the “**Application Proof**”) is available for viewing and downloading on the Stock Exchange’s website at <http://www.hkexnews.hk/APP/SEHKAPPMainIndex.htm>.

The Application Proof contains, among other things, certain business and financial information relating to the CEGL Group. Shareholders should note that the Application Proof is in draft form and the information contained in it is subject to change which can be material. The Company does not have any obligation or liability whatsoever in relation to the Application Proof.

3. PROPOSED SPIN-OFF

The Proposed Spin-off involves the spin-off and separate listing of the CEGL Shares on the Main Board of the Stock Exchange. CEGL is a wholly-owned subsidiary of the Company incorporated in the Cayman Islands on 13 October 2015 and is the holding company of certain subsidiaries of the Company which are principally engaged in the Greentech Business, which comprises (i) biomass, (ii) hazardous waste treatment, and (iii) solar energy and wind power.

The Proposed Spin-off will be conditional upon, among other things, (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the CEGL Shares in issue and any shares which may be issued in relation to the Proposed Spin-off on the Main Board of the Stock Exchange; (ii) the final decision of the Board; and (iii) market conditions and other considerations.

It is currently proposed that, the Proposed Spin-off and the listing will be effected by way of a global offering whereby a portion of the shares to be issued by CEGL will be subject to preferential application by the Existing Shareholders. It is intended that upon completion of the Proposed Spin-off and the listing, the Company will have an interest of not less than 50% in CEGL and therefore CEGL will remain as a subsidiary of the Company.

Upon completion of the Proposed Spin-off, there will be a clear delineation between the business of CEGL Group and the remaining businesses of the Group.

The Directors consider the Proposed Spin-off will bring about the following benefits to both the Company and CEGL:

(i) Unlocking potential value of the CEGL Group

The Spin-off will create CEGL as an investment opportunity for new investors and also unlock the shareholder value for the CEIL Shareholders by better identifying and establishing the stand-alone corporate value of the greentech business. It is anticipated that this value will represent a substantial enhancement to the existing value of CEIL within the confines of CEIL to the benefit of the CEIL Shareholders;

(ii) Focus and clarity of business

The Spin-off will allow the different management teams of the CEIL Group and the CEGL Group to focus more effectively on their distinctive business, allowing for a more focused strategy and efficient resource allocation at both businesses. It will also facilitate dedicated management focus on further developing the CEGL Group and capturing opportunities arising in the greentech business due to favorable policy in the PRC;

(iii) Create a separate investor base for the CEGL Group

The Spin-off could better reflect the value of the CEGL Group on its own merits and increase its operational and financial transparency through which investors would be able to appraise and assess the performance and potential of the CEGL Group separately and distinctly from those of the remaining CEIL Group; and

(iv) Enhanced fund raising flexibility

The Spin-off will enable CEGL to directly and independently access both equity and debt capital markets, and will facilitate CEGL in securing banking facilities, which in turn will increase the financing flexibility to achieve the business strategies of the CEGL Group.

4. ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT

In accordance with the requirements of PN15, the Board proposes to give due regard to the interests of Shareholders by providing qualifying Existing Shareholders with an assured entitlement to CEGL Shares by way of a preferential offering of the CEGL Shares, if the Proposed Spin-off proceeds. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

5. LISTING RULES IMPLICATION

Upon completion of the Global Offering (assuming no exercise of the over-allotment options), it is proposed that the Company's percentage holding in the issued share capital of CEGL will be reduced, although it is intended that CEGL will remain as a subsidiary of the Company. Such reduction of the Company's shareholding interest in CEGL is expected to constitute a discloseable transaction of the Company under the Listing Rules, which will be subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules. The Company will comply with the applicable requirements of Chapter 14 of the Listing Rules as and when necessary.

6. GENERAL

As at the date of this announcement, the Board has not yet finalised the date of listing of the CEGL Shares. The Proposed Spin-off is subject to, among other things, the final decisions of the Board and the board of directors of CEGL to proceed with the Proposed Spin-off, and the obtaining of an approval of the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the CEGL shares. There is no assurance that the Proposed Spin-off will take place, or as to when it may take place. Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

7. DEFINITIONS

“Board”	the board of directors of the Company
“CEGL”	China Everbright Greentech Limited (中國光大綠色環保有限公司), an exempted company incorporated in the Cayman Islands on 13 October 2015 with limited liability. It has been registered in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong)
“CEGL Group”	CEGL and its subsidiaries, or where the context so requires, in respect of the period before our Company became the holding company of the present subsidiaries, the business operated by such subsidiaries
“CEGL Share(s)”	ordinary share(s) in the share capital of CEGE
“CEIL Group”	the Company and its subsidiaries
“Company”	China Everbright International Limited (中國光大國際有限公司), a company incorporated under the laws of Hong Kong, the shares of which are listed on the Stock Exchange (stock code: 257)
“Director(s)”	Director(s) of the Company
“Existing Shareholder(s)”	the existing shareholder(s) of the Company

“Global Offering”	pursuant to the Proposed Spin-off, the proposed issue and offer for subscription of the CEGL Shares to the public in Hong Kong and the international placement of the CEGL Shares to professional, institutional and other investors, the details of which have yet to be finalised
“Listing Approvals”	the approval from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the CEGL Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PN15”	Practice Note 15 of the Listing Rules
“Proposed Spin-off”	the proposed spin-off of CEGL by way of a separate listing of the CEGL Shares on the Main Board of the Stock Exchange
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
**China Everbright International
Limited**
Chen Xiaoping
Chief Executive Officer

Hong Kong, 8 June 2016

As at the date of this announcement, the Board comprises: (i) six executive Directors, namely Mr. Tang Shuangning (Chairman), Mr. Liu Jun (Vice-chairman), Mr. Chen Xiaoping (Chief Executive Officer), Mr. Wang Tianyi, Mr. Wong Kam Chung, Raymond and Mr. Cai Shuguang; and (ii) four independent non-executive Directors, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn, Mr. Li Kwok Sing, Aubrey and Mr. Zhai Haitao.