

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities nor is it calculated to invite any such offer or invitation. In particular, this announcement does not constitute and is not an offer to sell or an invitation or a solicitation of any offer to buy or subscribe for any securities in Hong Kong, the United States of America or elsewhere.

China Everbright International Limited has not intended and does not intend to register any securities referred to in this announcement under the United States Securities Act of 1933, as amended (the “US Securities Act”) and such securities may not be offered or sold in the United States of America absent registration under the US Securities Act or an applicable exemption from the registration requirements under the US Securities Act or any applicable state securities laws of the United States of America. Any public offering of securities in the United States of America will be made by means of a prospectus or offering memorandum that may be obtained from the issuer or selling security holder and that would contain detailed information regarding the issuer and its management, as well as financial statements. China Everbright International Limited does not intend to register any part of the offering in the United States of America or to conduct a public offering of securities in the United States of America.



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

EXPECTED SIZE OF GLOBAL OFFERING AND THE PROPOSED OFFER PRICE RANGE

BASIS OF THE ASSURED ENTITLEMENT OF QUALIFYING SHAREHOLDERS TO THE OFFER SHARES IN THE PREFERENTIAL OFFERING

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.

EXPECTED SIZE OF GLOBAL OFFERING AND THE PROPOSED OFFER PRICE RANGE

It is expected that if the Global Offering proceeds, the total number of CEGL Shares to be offered under the Global Offering will be 560,000,000 CEGL Shares (assuming the Over-allotment Option is not exercised), representing 28% of the issued share capital of CEGL immediately following completion of the Global Offering, and 644,000,000 CEGL Shares (assuming that the Over-allotment Option is exercised in full), representing approximately 30.9% of the issued share capital of CEGL immediately following completion of the Global Offering. The total number of CEGL Shares which is expected to be in issue immediately following completion of the Global Offering is 2,000,000,000 CEGL shares (assuming that the Over-allotment Option is not exercised).

If the Global Offering proceeds, the Offer Price is expected to be not less than HK\$5.18 per CEGL Share and not more than HK\$5.90 per CEGL Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee).

BASIS OF THE ASSURED ENTITLEMENT OF QUALIFYING SHAREHOLDERS TO THE OFFER SHARES IN THE PREFERENTIAL OFFERING

The Board announces that it has determined the basis of the Assured Entitlement of the Qualifying Shareholders in the CEGL Shares in the Preferential Offering, if and when made. The basis of the Assured Entitlement is one Reserved Share for every integral multiple of 81 CEIL Shares held by the Qualifying Shareholders as at 4:30 p.m. on the Record Date.

The CEGL Shares will not be securities eligible for the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect. Pursuant to Article 23 of the ChinaClear Stock Connect Implementing Rules, ChinaClear will not provide services relating to the subscriptions of newly issued shares to southbound investors. Based on the above and as confirmed by our PRC legal advisors, the Southbound Shareholders of the Company will not be able to subscribe for the CEGL Shares under the Preferential Offering.

The Board wishes to emphasise that the Proposed Spin-off and the Listing are subject to, among other things, the listing approval of the Stock Exchange, the final decision of the Board and the board of directors of CEGL which are dependent upon, among others, market conditions during the period from now and up to the proposed Listing, market considerations and other considerations. Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off and the Listing will take place and, if so, when they may take place. Shareholders and potential investors of the Company should exercise caution when dealing in or investing in the securities of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers.

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.

The Company refers to the announcements made by it dated 10 November 2015, 8 June 2016, 29 March 2017 and 30 March 2017 (the “**Announcements**”) relating to the Proposed Spin-off. Unless otherwise defined herein, capitalized terms in this announcement have the same respective meanings given to them in the Announcements.

2. EXPECTED SIZE OF THE GLOBAL OFFERING AND PROPOSED OFFER PRICE RANGE

It is expected that if the Global Offering proceeds, the total number of CEGL Shares to be offered under the Global Offering will be 560,000,000 CEGL Shares (assuming the Over-allotment Option is not exercised), representing 28% of the issued share capital of CEGL immediately following completion of the Global Offering, and 644,000,000 CEGL Shares (assuming that the Over-allotment Option is exercised in full), representing approximately 30.9% of the issued share capital of CEGL immediately following completion of the Global Offering. The total number of CEGL Shares which is expected to be in issue immediately following completion of the Global Offering is 2,000,000,000 CEGL shares (assuming that the Over-allotment Option is not exercised).

If the Global Offering proceeds, the Offer Price is expected to be not less than HK\$5.18 per CEGL Share and not more than HK\$5.90 per CEGL Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee).

On the basis of the expected number of CEGL Shares to be offered under the Global Offering and the proposed offer price range as stated above, if the Global Offering proceeds:

- (a) the market capitalization of CEGL will be between approximately HK\$10,360 million and approximately HK\$11,800 million (assuming the Over-allotment Option is not exercised);
- (b) the size of the Global Offering will be between approximately HK\$2,900.8 million and approximately HK\$3,304.0 million (assuming the Over-allotment Option is not exercised) and between approximately HK\$3,335.9 million and approximately HK\$3,799.6 million (assuming the Over-allotment Option is exercised in full); and
- (c) the Company’s percentage holding of CEGL Shares through its wholly-owned subsidiary China Everbright Green Holdings Limited will be 72% (assuming the Over-allotment Option is not exercised) and 69.1% (assuming the Over-allotment Option is exercised in full) of the CEGL Shares in issue immediately following the completion of the Global Offering.

3. BASIS OF THE ASSURED ENTITLEMENT OF QUALIFYING SHAREHOLDERS

In order to enable the Shareholders to participate in the Global Offering on a preferential basis as to allocation only, subject to the Stock Exchange granting approval for the listing of, and permission to deal in, CEGL Shares on the Main Board of the Stock Exchange and the Proposed Spin-off becoming unconditional, it is expected that the Qualifying Shareholders will be invited to apply for the Reserved Shares in the Preferential Offering representing 10% of the Offer Shares available under the Global Offering as Assured Entitlement. The Reserved Shares will be offered out of the International Offer Shares under the International Offering and will not be subject to reallocation.

The basis of the Assured Entitlement is one Reserved Share for every integral multiple of 81 CEIL Shares held by the Qualifying Shareholders as at 4:30 p.m. on the Record Date.

The CEGL Shares will not be securities eligible for the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect. Pursuant to Article 23 of the ChinaClear Stock Connect Implementing Rules, ChinaClear will not provide services relating to the subscriptions of newly issued shares to southbound investors. Based on the above and as confirmed by our PRC legal advisors, the Southbound Shareholders of the Company will not be able to subscribe for the CEGL Shares under the Preferential Offering.

Qualifying Shareholders may apply for a number of Reserved Shares which is greater than, less than or equal to their Assured Entitlement under the Preferential Offering. A valid application for a number of Reserved Shares which is less than or equal to a Qualifying Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions set out in the related application form and assuming the conditions of the Preferential Offering are satisfied.

Qualifying Shareholders should note that Assured Entitlement to Reserved Shares may not represent a number of a full board lot of 1,000 Shares. Further, the Reserved Shares allocated to the Qualifying Shareholders will be rounded down to the nearest whole number if required, and dealings in odd lots of the Shares may be at a price below the prevailing market price for full board lots.

Where a Qualifying Shareholder applies for a number of Reserved Shares which is greater than the Qualifying Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full (subject to the terms and conditions mentioned above) but the excess portion of such application will only be met to the extent that there are sufficient available Reserved Shares resulting from other Qualifying Shareholders declining to take up some or all of their Assured Entitlement. Details of how such excess portions will be met will be further described in the Prospectus.

Qualifying Shareholders who hold less than 81 CEIL Shares on the Record Date and therefore will not have an Assured Entitlement to Reserved Shares under the Preferential Offering will be entitled to participate in the Preferential Offering by applying for excess Reserved Shares only, and such application will only be satisfied to the extent there are sufficient available Reserved Shares not taken up by Qualifying Shareholders as their Assured Entitlement under the Preferential Offering.

The Assured Entitlements of Qualifying Shareholders to Reserved Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for Reserved Shares under the Preferential Offering, will be set out in the Prospectus and the accompanying **BLUE** Application Forms to be sent to the Qualifying Shareholders for the subscription of Reserved Shares pursuant to the Preferential Offering.

As stated in the announcement dated 29 March 2017, the Record Date for the purpose of determining the Assured Entitlement of the Qualifying Shareholders to the Reserved Shares in the Preferential Offering is 13 April 2017. The register of members of the Company will be closed on 13 April 2017 when no transfers of Shares will be registered.

4. GENERAL

In connection with the Global Offering, the price of the CEGL Shares may be stabilized in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilization and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the Prospectus if the Proposed Spin-off proceeds.

The Board wishes to emphasise that the Proposed Spin-off and the Listing are subject to, among other things, the listing approval of the Stock Exchange, the final decision of the Board and the board of directors of CEGL which are dependent upon, among others, market conditions during the period from now and up to the proposed Listing, market considerations and other considerations. The Board will only proceed with the Proposed Spin-off if the Board considers that the price of the CEGL Shares to be obtained in the Listing and other terms thereunder, subject to market conditions, would be in the interests of the Company and the Shareholders as a whole.

Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off and the Listing will take place and, if so, when they may take place. If the Proposed Spin-off and the Listing do not proceed for any reason, the Preferential Offering will not proceed.

Shareholders and potential investors of the Company should exercise caution when dealing in or investing in the securities of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers.

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

5. DEFINITIONS

“BLUE Application Form”	the application form(s) to be sent to the Qualifying Shareholders to subscribe for the Reserved Shares pursuant to the Preferential Offering
“ChinaClear”	China Securities Depository and Clearing Corporation Limited
“ChinaClear Stock Connect Implementing Rules”	The Implementing Rules for Registration, Depository and Clearing Services under Mainland-Hong Kong Stock Connect (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》) issued by ChinaClear
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Hong Kong Offer Shares”	the new CEGL Shares (subject to reallocation) initially being offered by CEGL for subscription in the Hong Kong Public Offering
“Hong Kong Public Offering”	the issue and offer of the Hong Kong Offer Shares for subscription in Hong Kong on and subject to the terms and conditions described in the Prospectus and the relevant application forms
“International Offering”	the placing of the International Offer Shares to professional, institutional and other investors
“International Offer Shares”	the CEGL Shares (subject to reallocation and the Over-allotment Option) initially being offered by CEGL for subscription under the International Offering (including, for the avoidance of doubt, the Reserved Shares)
“International Underwriters”	the several underwriters for the International Offering who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the conditional underwriting agreement expected to be entered into on or around 27 April 2017 by, among other parties, CEGL, the Company, the Joint Global Coordinators (for themselves and on behalf of the International Underwriters), in respect of the International Offering
“Joint Global Coordinators”	China International Capital Corporation Hong Kong Securities Limited, CEB International Capital Corporation Limited and China Everbright Securities (HK) Limited
“Offer Price”	the final offer price per CEGL Share under the Global Offering

“Offer Share(s)”	the Hong Kong Offer Share(s) and the International Offer Share(s)
“Over-allotment Option”	the option expected to be granted by CEGL to the International Underwriters, exercisable by the Joint Global Coordinators on behalf of the International Underwriters pursuant to the International Underwriting Agreement
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Reserved Shares(s)”	the Offer Share(s) available in the Preferential Offering being offered by CEGL to the Qualifying Shareholders pursuant to the Preferential Offering as Assured Entitlement which are to be allocated out of the International Offer Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing platform between Shanghai and Hong Kong under which PRC domestic investors may trade in the Stock Exchange via ChinaClear
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing platform between Shenzhen and Hong Kong under which PRC domestic investors may trade in the Stock Exchange via ChinaClear
“Southbound Shareholders”	the PRC investors who hold shares of companies listed on the Stock Exchange through ChinaClear as nominee under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect
“Stabilizing Manager”	China International Capital Corporation Hong Kong Securities Limited

By Order of the Board
China Everbright International Limited
Poon Yuen Ling
Company Secretary

Hong Kong, 12 April 2017

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