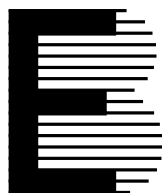


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CHINA EVERBRIGHT INTERNATIONAL LIMITED

中國光大國際有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00257)

DISCLOSEABLE TRANSACTION IN RELATION TO WASTE-TO-ENERGY PLANT IN JINAN CITY, SHANDONG PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA

Reference is made to the announcement of the Company dated 11 January 2009 regarding the successful bid of the Company in a tender for the Waste-to-energy Project in Jinan City, Shandong Province, the PRC, and the cooperative agreement dated 10 January 2009 between the Company and the Jinan Environmental Bureau on certain principal terms of the Waste-to-energy Project, which are subject to the formal agreements to be entered into by the relevant parties after establishment of the project company by the Company.

The Board is pleased to announce that, on 29 July 2009, the relevant parties entered into the following formal agreements in relation to the Waste-to-energy Project:-

- (a) the Concession Right Agreement among the Company, the project company established and indirectly wholly-owned by the Company, namely Everbright Jinan, and the Jinan Environmental Bureau, pursuant to which the Concession Right has been granted by the Jinan Environmental Bureau to Everbright Jinan to invest in, and to design, construct, operate and maintain, the Waste-to-energy Plant exclusively subject to the conditions and upon the terms of such agreement;
- (b) the Waste Treatment Service Agreement between Everbright Jinan and the Jinan Environmental Bureau, pursuant to which Everbright Jinan will provide certain waste treatment services to the Jinan Environmental Bureau subject to the conditions and upon the terms of such agreement.

The applicable percentage ratios in respect of the transactions contemplated under the Concession Right Agreement exceed 5% but are less than 25%. Accordingly, the entering into of the Concession Right Agreement constitutes a discloseable transaction under the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 11 January 2009 regarding the successful bid of the Company in a tender for the Waste-to-energy Project in Jinan City, Shandong Province, the PRC, and the cooperative agreement dated 10 January 2009 between the Company and the Jinan Environmental Bureau on certain principal terms of the Waste-to-energy Project, which are subject to the formal agreements to be entered into by the relevant parties after establishment of the project company by the Company.

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- (b) the Waste Treatment Service Agreement between Everbright Jinan and the Jinan Environmental Bureau, pursuant to which Everbright Jinan will provide certain waste treatment services to the Jinan Environmental Bureau subject to the conditions and upon the terms of such agreement.

THE CONCESSION RIGHT AGREEMENT

The principal terms of the Concession Right Agreement are set forth below:-

Date:	29 July 2009
Parties:	The Company Everbright Jinan Jinan Environmental Bureau
Grant of the Concession Right:	Pursuant to the Concession Right Agreement, the Jinan Environmental Bureau has granted the Concession Right to Everbright Jinan to invest in, and to construct, operate and maintain, the Waste-to-energy Plant exclusively subject to the conditions and upon the terms of the Concession Right Agreement.
Term of the Concession Right:	25 years from the Initial Construction Completion Date, which may be extended subject to the conditions and in accordance with the terms of the Concession Right Agreement by mutual agreement of Everbright Jinan and the Jinan Environmental Bureau in writing or in case any force majeure occurs.
Total investment amount of the Waste-to-energy Project:	Based on the Business Plan, it is estimated that the total investment of the Waste-to-energy Project will amount to RMB900,853,300 (equivalent to approximately HK\$1,027,243,000), of which: (a) RMB300,284,400 (equivalent to approximately HK\$342,414,000) is intended to be funded by the Company's contribution to the registered capital of Everbright

Jinan within 3 months from the date of establishment of Everbright Jinan; and (b) RMB600,568,900 (equivalent to approximately HK\$684,829,000) is intended to be funded by bank loans to be obtained by Everbright Jinan within two years from the date of establishment of Everbright Jinan, failing which the Company should contribute to the shortfall out of its internal funding resources.

Timetable for construction of the Waste-to-energy Plant:

The construction of the Waste-to-energy Plant should commence on the Construction Commencement Date, which should not be later than 3 months after the date of execution of the Concession Right Agreement.

The Expected Initial Construction Completion Date will be the date falling on the end of 18 months after the Construction Commencement Date.

The Expected Final Construction Completion Date will be the date falling on the end of 24 months after the Construction Commencement Date.

The above dates may be deferred subject to the conditions and in accordance with the terms of the Concession Right Agreement with the consent of the Jinan Environmental Bureau.

Operation and Maintenance Guarantee:

During the period from the Final Construction Completion Date until 12 months after the Transfer Date or 3 months after the Early Termination Date, Everbright Jinan will provide to the Jinan Environmental Bureau letter(s) of guarantee to be issued by a financial institution acceptable to the Jinan Environmental Bureau to secure performance by Everbright Jinan of its obligations to operate and maintain the Waste-to-energy Plant under the Concession Right Agreement.

The first letter of guarantee should be provided within 30 days before discharge of the Performance Guarantee (and all subsequent letter(s) of guarantee should be provided no later than 60 days before expiry of the immediately preceding letter of guarantee) for the following amount: (a) RMB18,000,000 (equivalent to approximately HK\$20,525,000) for the first year of operation of the Waste-to-energy Plant; and (b) RMB18,000,000 (equivalent to approximately HK\$20,525,000) or an amount equivalent to 30% of the Waste Treatment Service Fee payable for the preceding year, whichever is the higher, for all subsequent years of operation of the Waste-to-energy Plant.

Transfer of assets on the Transfer Date:

On the Transfer Date, Everbright Jinan should transfer to the Jinan Environmental Bureau or its designated party, without additional consideration, all rights, ownership and benefits in and of the Waste-to-energy Plant, including but not limited to all facilities, equipment, buildings, structures and other tangible assets, intellectual property rights and rights to use free from any encumbrance. If the Jinan Environmental Bureau decides to grant the Concession Right again, Everbright Jinan will have a first right of refusal so long as permissible under law.

THE WASTE TREATMENT SERVICE AGREEMENT

Pursuant to the Waste Treatment Service Agreement dated 29 July 2009 entered into between Everbright Jinan and the Jinan Environmental Bureau, the Jinan Environmental Bureau has agreed to engage Everbright Jinan to provide safe, stable and continuous waste treatment services exclusively to the Jinan Environmental Bureau during the Term of Engagement subject to the conditions and upon the terms of the Waste Treatment Service Agreement.

Everbright Jinan shall, during the Term of Engagement, have the obligations to maintain the facilities and equipment of the Waste-to-energy Plant in good condition in accordance with all the provisions of the Waste Treatment Service Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONCESSION RIGHT AGREEMENT

To ensure the sustainability of the country's economic development, the PRC government has set a high priority for environmental protection. With the rising awareness of the importance of environmental protection in society, there are enormous opportunities for growth of the environmental protection industry in the PRC.

The Board (including the independent non-executive Directors) believes that investment in the Waste-to-energy Project will further strengthen the Group's environmental protection business. To date, the Group has participated in waste treatment projects in Suzhou, Yixing, Jiangyin and Changzhou, all of which have shown encouraging progress. Riding on the success of these projects, the Group wishes to further expand its waste treatment business in Shandong Province. The entering into the Concession Right Agreement will further strengthen the Group's leading position in the environmental protection industry in the Shandong region.

Taking into consideration of the above, the Board (including the independent non-executive Directors) believes that the Concession Right Agreement was entered into on normal commercial terms which are fair and reasonable, and that the entering into of such agreement is in the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The applicable percentage ratios in respect of the transactions contemplated under the Concession Right Agreement exceed 5% but are less than 25%. Accordingly, the entering into of the Concession Right Agreement constitutes a discloseable transaction under the Listing Rules.

GENERAL

The Group is primarily engaged in the business of environmental protection investment, infrastructure operation and project management in the PRC, and has been developing its environmental protection business since 2002. Development of household waste treatment has been one of the key development goals of the Group's environmental protection business.

To the best of the Company's knowledge, information and belief and having made all reasonable enquiries, the Jinan Environmental Bureau is the government authority in charge of city environment and hygiene in Jinan City, Shandong Province, the PRC.

To the best of the Company's knowledge, information and belief and having made all reasonable enquiries, the counter-party to the transactions under the Concession Right Agreement and the Waste Treatment Service Agreement (i.e., the Jinan Environmental Bureau) is an Independent Third Party as at the date of this announcement. The Company and the Group did not have any prior transactions or relationship with the Jinan Environmental Bureau.

DEFINITION

In this announcement, unless context otherwise requires, the following expressions have the following meanings:-

“Board”	the board of Directors of the Company;
“Business Plan”	the business plan in respect of the Waste-to-energy Project attached to the Concession Right Agreement as an appendix;
“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;
“Concession Right”	the concession right granted by the Jinan Environmental Bureau to Everbright Jinan to invest in, and to design, construct, operate and maintain, the Waste-to-energy Plant exclusively subject to the conditions and upon the terms of the Concession Right Agreement;
“Concession Right Agreement”	the formal concession right agreement dated 29 July 2009 among the Company, Everbright Jinan and the Jinan Environmental Bureau, pursuant to which the Concession Right has been granted by the Jinan Environmental Bureau to Everbright Jinan;
“Construction Commencement Date”	the date on which the construction of the Waste-to-energy Plant commencement, which should not be later than 3 months after the date of execution of the Concession Right Agreement;
“Directors”	the directors of the Company;
“Early Termination Date”	the date on which the Concession Right Agreement is terminated in accordance with its terms;
“Everbright Jinan”	光大環保能源（濟南）有限公司 (Everbright Environmental Energy (Jinan) Limited*), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company;

“Expected Final Construction Completion Date”	the Final Construction Completion Date contemplated under the Concession Right Agreement, which will be the date falling on the end of 24 months after the Construction Commencement Date;
Expected Initial Construction Completion Date	the Initial Construction Completion Date contemplated under the Concession Right Agreement, which will be the date falling on the end of 18 months after the Construction Commencement Date;
“Final Construction Completion Date”	the date on which a confirmation on commencement of operation is issued by the Jinan Environmental Bureau after conducting a final inspection on the construction of the Waste-to-energy Plant, or the fourth working day after such final inspection if neither a confirmation on commencement of operation nor a request for alteration is issued by the Jinan Environmental Bureau in respect of the Waste-to-energy Plant within 3 working days after such final inspection;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	third parties not connected to the Company or any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates under the Listing Rules;
“Initial Construction Completion Date”	the date on which a certificate of initial completion is issued by the Jinan Environmental Bureau after conducting an initial inspection on the construction of the Waste-to-energy Plant, or the sixth working day after such initial inspection if neither a certificate of initial completion nor a request for alteration is issued by the Jinan Environmental Bureau in respect of the Waste-to-energy Plant within 5 working days after such initial inspection;
“Jinan Environmental Bureau”	濟南市市容環境衛生管理局 (Bureau of City Appearance and Environmental Hygiene of Jinan City*), the government authority in charge of city environment and hygiene in Jinan City, Shandong Province, the PRC;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Performance Guarantee”	a performance guarantee dated 16 January 2009 in the amount of RMB30,000,000 (equivalent to approximately HK\$34,209,000) which has been issued by 中信銀行股份有限公司深圳分行 (China CITIC Bank Corporation Limited, Shenzhen Branch*) to secure performance by the Company and Everbright Jinan of their obligations under the Concession Right Agreement;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it under the Listing Rules;
“Term of engagement”	from the Final Construction Completion Date until the end of the term of the Concession Right;
“Transfer Date”	the working day immediately following the expiry of the term of the Concession Right;
“Waste Treatment Service Agreement”	the formal waste treatment service agreement dated 29 July 2009 between Everbright Jinan and the Jinan Environmental Bureau, pursuant to which Everbright Jinan will provide certain waste treatment services to the Jinan Environmental Bureau subject to the conditions and upon the terms of such agreement;
“Waste-to-energy Plant”	the waste-to-energy plant to be constructed, operated and managed by Everbright Jinan in Jinan City, Shandong Province, the PRC pursuant to the Concession Right Agreement; and
“Waste-to-energy Project”	the project for constructing, operating and managing a waste-to-energy plant in Jinan City, Shandong Province, the PRC in respect of which the Concession Right has been granted pursuant to the Concession Right Agreement.

** For identification purpose only.*

For the purposes of illustration only and unless otherwise stated, the conversion of RMB into HK\$ is based on the exchange rate of RMB 1.0 = HK\$1.1403. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate or at all.

By order of the Board
China Everbright International Limited
WONG, Kam Chung, Raymond
Executive Director

Hong Kong, 29 July 2009

As at the date of this announcement, the Board is composed of the following members:

Executive Directors

Mr. TANG Shuangning (Chairman)
Mr. ZANG Qiutao (Vice-chairman)
Mr. LI Xueming (Vice-chairman)
Mr. CHEN Xiaoping (Chief Executive Officer)
Mr. FAN Yan Hok, Philip
Mr. WONG Kam Chung, Raymond
Ms. ZHANG Weiyun

Independent non-executive Directors

Sir David AKERS-JONES
Mr. LI Kwok Sing, Aubrey
Mr. MAR Selwyn