

Everbright International Enters Overseas Alternative Energy Market

Invests in Photovoltaic Energy Project in Germany

China Everbright International Limited (“Everbright International” or “the Group”) has announced that it has entered into an agreement for investment in a ground photovoltaic energy project through EPC arrangement in Schonewalde, Germany (“German Photovoltaic Project” or “the Project”).

The Project, located in Schonewalde in eastern Germany, is 75 km from Berlin, the capital of the country. It occupies an area of approximately 110,000 m² with a total installed capacity of 3.70MW and carries an investment cost of approximately EUR8 million. Thin film solar cells will be adopted in the large-scale ground plant. The Project will be constructed and installed by a professional contractor in Germany. Upon its completion, it will be remotely monitored by a local company in Germany, which is commissioned to conduct maintenance and operation of the Project. The operation period is expected to be 20 years, with power grid electricity subsidised by the German government for a period of 20 years. It is expected that it will become the largest amorphous silicon thin film photovoltaic power plant in Europe.

Germany is the world’s most mature photovoltaic market, with one of the world’s largest government funding programmes for promoting alternative energy. In 2009, Germany possessed the highest total installed photovoltaic power capacity of any country in the world. For the first eight months in 2010, newly added installed photovoltaic power capacity in Germany reached 4.8GW, which amounted to approximately half the global total. Thus, the photovoltaic power market in Germany offers immense opportunities for development. Its size together with its world-leading photovoltaic technology and extensive industry experience, has considerable influence on the European market. In addition, the comprehensive renewable energy law that is in place not only provides legal protection for parties constructing photovoltaic power generation stations in Germany, but also offers preferential conditions and subsidies for promoting renewable energy power generation. Therefore, the management believes the Project can deliver considerable returns on investment to the Group.

Since expansion into the alternative energy market in 2009, Everbright International has invested in a number of biomass power generation projects and photovoltaic energy projects within China. From rooftop photovoltaic energy projects in Shenzhen and Suqian to ground photovoltaic energy projects in Huaining and Zhenjiang, the Group has acquired the experience and technical know-how to engage in photovoltaic energy projects. This expertise

encompasses the construction cycle, characteristics of key raw materials, domestic and overseas suppliers, and pricing etc. Moreover, after the projects in Shenzhen, Suqian and Zhenjiang were completed and commenced operation, the Group has accumulated ample experiences in running photovoltaic power plants, and will build a remote monitoring and management platform for these photovoltaic energy plants. Aside from that, with Mainland China currently the world's largest production base for photovoltaic cells, the Group is highly confident in its ability to expand into overseas alternative energy markets with relevant experiences.

The Group is currently seeking well-established partners to forge strong strategic alliances to realise mutual benefits while expanding into new business segments. Situated in Germany which ranks among the world's most advanced electrical equipment manufacturing industries and with some of the most advanced engineering construction and installation techniques, the EPC Contractor offers proven experience in building and operating various photovoltaic power plants. It has constructed and implemented MW-capable thin film photovoltaic stations and one-stop photovoltaic systems, which have provided it with experience in heightening operational efficiency and effectively keeping down construction cost. The cooperation enhances economic return and achieves a win-win outcome for all.

Mr. Chen Xiaoping, Chief Executive Officer of Everbright International, said, "In 2010, the newly installed photovoltaic power capacity in Europe ranked first in renewable energy production. Based on the goal set by the EU in which 20% of energy will be provided by renewable energy sources by 2020, research results of the European Photovoltaic Industry Association have stated that the proportion of photovoltaic power generation in power consumption in Europe shall increase from the current 2% to 12% by 2020. This finding indicates a dramatic expansion of Europe's installed photovoltaic power capacity in the coming decade."

"The German Photovoltaic Project is the first alternative energy project that we have secured overseas, effectively helping to establish our presence and reputation internationally. The Project will not only provide a better return on investment by working with an experienced team from the German EPC contractor, but will also enable us to learn from their advanced technologies and related experience. In this way we can train and build our own team, which can meet the highest international standards of construction, operation and management. We believe that the Project definitely benefits the further expansion of our alternative energy business in China and overseas markets. Leveraging this opportunity, the Group will establish an investment platform in Europe that would be significant in our development of an alternative energy business abroad." Mr. Chen concluded.