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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 RIGHTS ISSUE ON THE BASIS OF 10 RIGHTS SHARES
FOR EVERY 27 EXISTING SHARES HELD ON THE RECORD DATE
AT THE SUBSCRIPTION PRICE OF HK\$6.00 PER RIGHTS SHARE
AND
CLOSURE OF REGISTER OF MEMBERS**

**The Sole Global Coordinator,
the Sole Bookrunner and the Sole Underwriter to the Rights Issue**



China International Capital Corporation Hong Kong Securities Limited

RIGHTS ISSUE

The Company proposes to raise approximately HK\$9,962 million before expenses, by issuing 1,660,263,592 Rights Shares to the Qualifying Shareholders by way of the Rights Issue on the basis of 10 Rights Shares for every 27 Existing Shares at the Subscription Price of HK\$6.00 per Rights Share. The Company will provisionally allot 10 Rights Shares in nil-paid form for every 27 Existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

The estimated net proceeds of the Rights Issue will be approximately HK\$9,912 million (assuming no new Shares are issued (other than the Rights Shares) and no buy-back of Shares on or before the Record Date). The Group currently intends to apply the net proceeds from the Rights Issue to: (1) implement its existing and future waste-to-energy projects; (2) pursue other environmental protection businesses including but not limited to technological research and development, equipment manufacturing, waste sorting and management, and atmospheric monitoring and testing services; and (3) general working capital of the Group and repayment of bank loans.

IRREVOCABLE UNDERTAKING AND UNDERWRITING ARRANGEMENT

As at the date of this announcement, CE Hong Kong, a controlling shareholder of the Company, is interested in 1,864,951,910 Shares, representing approximately 41.60% of the total number of issued Shares. Pursuant to the Irrevocable Undertaking, CE Hong Kong has, among other things, irrevocably undertaken to the Company and the Sole Underwriter that it will and/or will procure its subsidiaries to take up 800,722,928 Rights Shares, which comprises (i) 690,722,928 Rights Shares, representing its/their full provisional entitlement to the new Shares under the Rights Issue, and (ii) additional 110,000,000 Shares by application for excess Rights Shares.

On 14 August 2018, the Company and the Sole Underwriter entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Sole Underwriter has conditionally agreed to fully underwrite all the Rights Shares other than those agreed to be taken up by CE Hong Kong pursuant to the Irrevocable Undertaking. The Rights Issue is conditional upon the fulfillment of the conditions set out under the section headed “Conditions of the Rights Issue” below. If the conditions are not fulfilled or waived (as applicable), the Rights Issue will not proceed.

TRADING ARRANGEMENTS

The last day of dealings in the Shares on a cum-rights basis for the Rights Issue is expected to be on Monday, 20 August 2018. The Shares are expected to be dealt in on an ex-rights basis for the Rights Issue from Tuesday, 21 August 2018. The Rights Shares are expected to be dealt with in their nil-paid form from Monday, 3 September 2018 to Monday, 10 September 2018 (both dates inclusive).

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date (currently expected to be on Wednesday, 29 August 2018) and be a Qualifying Shareholder. The register of members of the Company will be closed from Thursday, 23 August 2018 to Wednesday, 29 August 2018 (both days inclusive) during which period no transfer of Shares will be registered. In order to be registered as a member of the Company as at the Record Date so as to qualify for the Rights Issue, all transfer documents of the Shares must be lodged (together with the relevant Share certificates) with the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 22 August 2018.

LISTING RULES IMPLICATIONS

As the Rights Issue will not increase the number of issued shares or the market capitalization of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting.

As CE Hong Kong is a controlling shareholder of the Company, it is a connected person of the Company under Chapter 14A of the Listing Rules. Pursuant to the Listing Rules, the taking up of its/their entitlements to the Rights Issue by CE Hong Kong or its relevant Subsidiaries as Qualifying Shareholders and subscription for the Rights Shares in excess of its/their entitlements under the Rights Issue (if applicable) are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

It should be noted that the Rights Issue is conditional upon several conditions, details of which are set out in the section headed "Underwriting Arrangement – Conditions of the Rights Issue" in this announcement. If the conditions are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled or waived (as applicable) (and the date on which the Sole Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Monday, 3 September 2018 to Monday, 10 September 2018 will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

RIGHTS ISSUE

The Board proposed the Rights Issue, details of which are summarized below:

Rights Issue statistics

Basis of the Rights Issue:	10 Rights Shares for every 27 Existing Shares
Number of Shares in issue as at the date of this announcement:	4,482,711,700 Shares
Number of Rights Shares to be issued under the Rights Issue:	1,660,263,592 Rights Shares (assuming no new Shares are issued (other than the Rights Shares) and no buy-back of Shares on or before the Record Date)
Subscription Price:	HK\$6.00 per Rights Share
Sole Global Coordinator, Sole Bookrunner and Sole Underwriter:	China International Capital Corporation Hong Kong Securities Limited
Enlarged number of Shares in issue upon completion of the Rights Issue:	6,142,975,292 Shares (assuming no new Shares are issued (other than the Rights Shares) and no buy-back of Shares on or before the completion of the Rights Issue)

Assuming no new Shares are issued (other than the Rights Shares) and no buy-back of Shares on or before the Record Date, the number of 1,660,263,592 nil-paid Rights Shares proposed to be provisionally allotted represents approximately 37.04% of the Company's total number of issued Shares as at the Record Date and approximately 27.03% of the enlarged total number of issued Shares of the Company immediately upon completion of the Rights Issue.

As at the date of this announcement, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares.

Subscription Price

The Subscription Price for the Rights Shares is HK\$6.00 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, upon application for excess Rights Shares under the Rights Issue or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents

- (a) a discount of approximately 31.43% to the closing price of HK\$8.75 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 25.09% to the theoretical ex-rights price of approximately HK\$8.01 per Share based on the closing price of HK\$8.75 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 32.74% to the average closing price of HK\$8.92 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 34.50% to the average closing price of HK\$9.16 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day; and
- (e) a premium of approximately 7.33% over the unaudited consolidated net asset value (before the 2018 Interim Dividend) attributable to equity holders of the Company per Share as at 30 June 2018 of approximately HK\$5.59.

The 2018 Interim Dividend of HK12.0 cents per Share for the six months ended 30 June 2018 as announced by the Company on 14 August 2018 has not been included in the calculation of the theoretical ex-rights price in (b) above.

The Subscription Price was determined by the Directors with reference to the market price of the Shares prior to and including the Last Trading Day, the financial conditions of the Company and the prevailing market conditions. Each Qualifying Shareholder will be entitled to subscribe for Rights Shares at the Subscription Price in proportion with his/her/its shareholding in the Company held on the Record Date.

The net price per Rights Share (i.e. the Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of the Rights Shares will be approximately HK\$5.97.

After taking into consideration the reasons for the Rights Issue as stated in the section headed “Reasons for the Rights Issue and Use of Proceeds” below, the Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values indicated above), to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be:

1. registered as a member of the Company on the Record Date; and
2. not be a Non-Qualifying Shareholder.

The last day of dealings in the Shares on a cum-rights basis for the Rights Issue is expected to be on Monday, 20 August 2018. The Shares are expected to be dealt in on an ex-rights basis for the Rights Issue from Tuesday, 21 August 2018.

In order to be registered as a member of the Company on the Record Date so as to qualify for the Rights Issue, all transfer documents of the Shares must be lodged (together with the relevant Share certificates) with the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 22 August 2018.

The Rights Issue Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders according to the proposed timetable as set out in the section headed “Expected timetable for the Rights Issue”. Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker’s cashier order for the Rights Shares being applied for with the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong on or before 4:00 p.m. on the Final Acceptance Date.

The PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (a) sell their nil-paid Rights Shares on the Stock Exchange; and/or (b) subscribe for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Closure of register of members

The register of members of the Company will be closed from Thursday, 23 August 2018 to Wednesday, 29 August 2018, both days inclusive for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Non-Qualifying Shareholders

The Rights Issue Documents will not be registered or filed under applicable securities legislation of any jurisdiction other than (a) Hong Kong; and (b) the PRC, in accordance with the notice issued by the China Securities Regulatory Commission of *Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect (Announcement [2016] No.21)*.

The Company will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on enquiries made by and legal advice in the relevant jurisdictions obtained by the Company, the Directors consider it necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that/those place(s), the Rights Issue will not be available to such Overseas Shareholders and no provisional allotment of the nil-paid Rights Shares or allotment of Rights Shares will be made to them. Further information in this connection will be set out in the Prospectus. To the extent reasonably practicable and legally permitted, the Company will send a copy of the Prospectus to each of such Overseas Shareholders for information only, but not the PAL or the EAF.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold for their benefit in the market as soon as practicable after dealings in the nil-paid Rights Shares commence and before the last date for dealings in the Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of such sales, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlements of the Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by the Qualifying Shareholders.

Beneficial Owners may or may not be eligible to take part in the Rights Issue.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Right Shares or fully-paid Right Shares or to take up any entitlements to nil-paid Right Shares or fully-paid Right Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and Beneficial Owners (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the then Existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares. For the avoidance of doubt, the fully paid Rights Shares will not entitle the holders thereof to the 2018 Interim Dividend as announced by the Company on 14 August 2018.

Fractional Entitlements of the Rights Shares

The Company will not provisionally allot and will not accept applications for any fraction of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number). Fractional entitlements to any Rights Shares will be disregarded and will be aggregated and allocated to satisfy excess applications (if any) and/or disposed of in such manner as the Directors in their absolute discretion deem appropriate and for the benefits and interests of the Company and more particularly described in the section headed “Application for excess Rights Shares” below.

Application for excess Rights Shares

The Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for:

- (a) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been the Qualifying Shareholders;
- (b) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of nil-paid Rights Shares; and
- (c) any unsold Rights Shares created by aggregating fractions of nil-paid Rights Shares.

If a Qualifying Shareholder (other than the PRC Southbound Trading Investors) wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign an EAF and lodge it with the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, together with a separate cheque or banker’s cashier order for the amount payable on application in respect of the excess Rights Shares applied for by no later than 4:00 p.m. on the Final Acceptance Date.

The Directors will, allocate the excess Rights Shares (if any) at their sole discretion on a fair and equitable basis, and as far as practicable according to the principle that any excess Rights Shares will be allocated to the Qualifying Shareholders (other than the PRC Southbound Trading Investors) who apply for them on a pro rata basis by reference to the number of excess Rights Shares applied for but no reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for through EAFs, the Directors will allocate to each Qualifying Shareholder (other than the PRC Southbound Trading Investors) who applies for excess Rights Shares in full application. No preference will be given to topping up odd lots to whole board lots.

Investors with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to Beneficial Owners individually. Investors with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own name(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

For investors whose Shares are held by a nominee company (or which are deposited in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for completion of the relevant registration by 4:30 p.m. on Wednesday, 22 August 2018.

Arrangements on odd lot trading

Subject to the listing approval for the new Shares being granted by the Stock Exchange, in order to facilitate the trading of odd lots (if any) which may arise as a result of the Rights Issue, the Company will appoint a designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the new Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares. Details of the odd lot arrangements will be set out in the Prospectus. Shareholders should note that successful matching of the sale and purchase of odd lots of the new Shares is not guaranteed. Shareholders who are in doubt about this service are recommended to consult their professional advisers.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Rights Shares in both their nil-paid and fully-paid forms will be traded in board lots of 1,000 Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirement of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the

Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and applicable fees and charges

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue set out below, certificates for all fully-paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk on Friday, 21 September 2018.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted to the unsuccessful applicants on Friday, 21 September 2018 by ordinary post to the applicants at their own risk.

IRREVOCABLE UNDERTAKING FROM CE HONG KONG

As at the date of this announcement, CE Hong Kong, a controlling shareholder of the Company, is interested in 1,864,951,910 Shares, representing approximately 41.60% of the total number of issued Shares.

Pursuant to the Irrevocable Undertaking, CE Hong Kong has, among other things, irrevocably undertaken to the Company and the Sole Underwriter that it will and/or will procure its subsidiaries to take up 800,722,928 Rights Shares, which comprises (i) 690,722,928 Rights Shares, representing its/their full provisional entitlement to the new Shares under the Rights Issue, and (ii) additional 110,000,000 Shares by application for excess Rights Shares.

Save for the Irrevocable Undertaking, the Company has not obtained undertakings from any other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them.

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

Date:	14 August 2018
Parties:	The Company as the issuer and China International Capital Corporation Hong Kong Securities Limited as the Sole Global Coordinator, the Sole Bookrunner and the Sole Underwriter
Number of Underwritten Shares:	The total number of Underwritten Shares shall be 859,540,664 Rights Shares, being such number of Rights Shares to be issued pursuant to the Rights Issue less the number of the Rights Shares which CE Hong Kong has undertaken to take up.
Underwriting fees:	An amount equal to 0.6% of the Subscription Price multiplied by the number of Underwritten Shares, being approximately HK\$31 million.

The Sole Underwriter is a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO. To the best knowledge and information of the Directors, after reasonable enquiries, the Sole Underwriter is independent of and not connected with the Company or its connected persons.

The underwriting fee rate was determined after arm's length negotiations between the Company and the Sole Underwriter with reference to, among other things, the scale of the Rights Issue, the current and expected market conditions and the underwriting fee rates charged by underwriters in the recent market precedents of rights issue. The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement, including the underwriting fees payable by the Company, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following being fulfilled:

- (i) all the respective representations and warranties and other statements in the Underwriting Agreement on the part of the Company being true and accurate in all material respects and not misleading at and as of the date of the Underwriting Agreement, the date of the Prospectus and the date of any supplementary Prospectus, and as of the first Business Day following the Final Acceptance Date, as if they had been repeated by reference to the facts and circumstances then existing, to the performance by the Company of all its obligations under the Underwriting Agreement;
- (ii) the Rights Shares being duly issued and provisionally allotted by the authorized representatives of the Board on the terms set out in the Rights Issue Documents to the Qualifying Shareholders;
- (iii) the Sole Underwriter receiving from the Company certain documents as specified in the Underwriting Agreement by the times and dates specified therein;
- (iv) the delivery of the Rights Issue Documents to the Stock Exchange on the Business Day immediately before the date of the Prospectus and the issue by the Stock Exchange of a certificate of authorization of registration on the Business Day before the date of the Prospectus;
- (v) the Companies Registrar registering the Rights Issue Documents and having all the documents required by the provisions of section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on or before the despatch of the Prospectus;
- (vi) the grant of listing of and permission to deal in the nil paid rights and the Rights Shares (either unconditional or subject only to allotment and despatch of the share certificates in respect thereof) by the Stock Exchange and dealings in the nil paid rights and the Rights Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being withdrawn or revoked);
- (vii) posting of the Rights Issue Documents to the Qualifying Shareholders on or before the Despatch Date (or such later date to be agreed between the Company and the Sole Underwriter) and the posting, to the extent reasonably practicable and legally permitted, of the Prospectus for information purposes only to the Non-Qualifying Shareholders; provided that the Prospectus shall not be posted to the Non-Qualifying Shareholders who are known by the Company to be resident in the United States;

- (viii) fulfillment by CE Hong Kong with all of its obligations under the Irrevocable Undertaking by the times specified therein, and the Irrevocable Undertaking not having been terminated; and
- (ix) no matter having arisen prior to the Latest Time for Termination which might reasonably be expected to give rise to a claim under “Termination of the Underwriting Agreement” and which, in any such case, the Sole Underwriter considers in its reasonable discretion, as applicable, to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up or the underwriting of the Rights Issue.

The Company shall use its best efforts to procure the fulfilment of each of the conditions set out above, and shall do all acts and things as may be reasonably required by the Sole Underwriter, the Stock Exchange, the SFC and the Companies Registrar and any relevant authority in the PRC for the purposes of or in connection with the listing of and permission to deal in the Rights Shares and the fulfilment of such conditions as mentioned above.

The Sole Underwriter shall have the right, in its absolute discretion, on or before the last day on which each of the conditions is required to be fulfilled, either: (i) to waive any of the conditions specified above (except the conditions specified in (ii), (iv), (v) and (vi), or (ii) to extend the deadline for the fulfilment of any condition by such number of days or in such manner as the Sole Underwriter may determine in which case the Sole Underwriter shall be entitled to extend the other dates or deadlines referred to in the Underwriting Agreement in such manner as it deems appropriate.

The Underwriting Agreement shall terminate without further act or deed if any of the above conditions to the obligations of the Sole Underwriter thereunder shall not have been satisfied when and as required by the Underwriting Agreement to be satisfied (unless otherwise waived or modified by the Sole Underwriter).

Termination of the Underwriting Agreement

The Sole Underwriter may, in its discretion (acting reasonably), terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company by the Sole Underwriter at any time prior to the Latest Time for Termination with immediate effect if:-

- (i) there shall have developed, occurred, happened or come into effect any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting the assets, liabilities, business, operations, general affairs, management, prospects, results of operations, position or condition, financial or otherwise, or performance of the Company and the other members of the Group, taken as a whole, the effect of which change, development, event or circumstance is, individually or in the aggregate, in the reasonable judgment of the Sole Underwriter, so material and adverse as to make it or likely to make it impracticable or inadvisable or inexpedient to proceed with the Rights Issue or the delivery of the Rights Shares on the terms and in the manner contemplated in the Prospectus or likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or
- (ii) any breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Sole Underwriter, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement; or
- (iii) there shall have developed, occurred, happened or come into effect any of the following:
 - (A) a suspension or material limitation (including, without limitation, any minimum or maximum price limit or range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange;
 - (B) a suspension or material limitation (including, without limitation, any minimum or maximum price limit or range) in or on trading in any securities of the Company listed or quoted on a stock exchange;
 - (C) any downgrading or any notice or announcement of any intended or potential downgrading or of any watch, review or possible change that does not indicate an affirmation or improvement in the rating accorded any securities of or guaranteed by the Company or any other member of the Group by any national or international rating agency;
 - (D) a general moratorium on commercial banking activities declared by relevant authorities in Hong Kong, the PRC, the United States or the United Kingdom or a disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in Hong Kong, the PRC, the United States or the United Kingdom;
 - (E) any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective

change, in or affecting any taxation, exchange controls or currency exchange rates in Hong Kong, the PRC, the United States or the United Kingdom; (F) any new laws or any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting existing laws or the interpretation or application of existing laws by any court or other competent authority in Hong Kong, the PRC, the United States or the United Kingdom; (G) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in each case, involving or affecting Hong Kong, the PRC, the United States or the United Kingdom; or (H) any change or development or any event or series of events involving a prospective change or any event or series of events or circumstance likely to result in a change or a development involving a prospective change (whether or not permanent) in any local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets and credit markets) in or affecting Hong Kong, the PRC, the United States or the United Kingdom, if the effect of any such event or circumstance specified above, individually or in the aggregate, in the reasonable judgment of the Sole Underwriter, makes it or may make it impracticable or inadvisable or inexpedient to proceed with the Rights Issue or the delivery of the Rights Shares on the terms and in the manner contemplated in the Prospectus or, have or will have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or

- (iv) any statement contained in any of the Relevant Documents (as defined in the Underwriting Agreement) was or has become untrue, incorrect in any material respect or misleading; or

- (v) any matter has arisen or been discovered which would, if the Announcement or the Prospectus (or any supplement or amendment thereto) had been issued at that time, constitute a material omission therefrom if it had not been disclosed in the Announcement or the Prospectus (or any supplement or amendment thereto); or
- (vi) the Company is required to issue a supplementary prospectus in connection with the Rights Issue; or
- (vii) the permission to deal in and the listing of the Rights Shares (in their nil paid and fully paid forms) has been withdrawn by the Stock Exchange; or
- (viii) an authority or a political body or organization in any relevant jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of the Group, which in the reasonable judgment of the Sole Underwriter, makes it or may make it impracticable or inadvisable or inexpedient to proceed with the Rights Issue or the delivery of the Rights Shares on the terms and in the manner contemplated in the Prospectus or, have or will have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or
- (ix) any Director committing any act of fraud or other indictable offense which, in the reasonable judgment of the Sole Underwriter, makes it or may make it impracticable or inadvisable or inexpedient to proceed with the Rights Issue or the delivery of the Rights Shares on the terms and in the manner contemplated in the Prospectus or, have or will have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or
- (x) any material breach by CE Hong Kong of the Irrevocable Undertaking which, in the reasonable judgment of the Sole Underwriter, makes it or may make it impracticable or inadvisable or inexpedient to proceed with the Rights Issue or the delivery of the Rights Shares on the terms and in the manner contemplated in the Prospectus or, have or will have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up.

In the event the Sole Underwriter exercises its rights to terminate the Underwriting Agreement prior to the Latest Time for Termination, all obligations of the parties hereto shall cease and determine and none of the parties hereto shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of any antecedent breaches and claims).

If the Sole Underwriter exercises such right, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Sole Underwriter.

Lock up provisions under the Underwriting Agreement

The Company undertakes to the Sole Underwriter that: except (i) for the Rights Shares to be allotted and issued pursuant to the Rights Issue, or (ii) under certain limited circumstance(s); or (iii) with the prior written consent of the Sole Underwriter (and which may be given or withheld at the absolute discretion of the Sole Underwriter), from the date of this Agreement up to 90 days after the first day of trading of the Rights Shares on the Stock Exchange, the Company will not:

- (A) allot or issue or sell, or offer to allot or issue or sell, accept subscription for, pledge, lend, mortgage, assign, charge, purchase any option or contract to sell, or grant any option, right or warrant to subscribe for or purchase or lend or otherwise dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or other equity securities of the Company or any interests therein (including but not limited to any securities convertible into or exercisable or exchangeable for any Shares or which carry rights to subscribe for or purchase or receive Shares), or deposit Shares with a depository in connection with the issue of depository receipts; or
- (B) enter into a transaction (including, without limitation, a swap or other derivative transaction) that transfers, in whole or in part, any of the economic consequences of ownership of any Shares or such securities of the Company or any interest therein or has an effect on the market in the Shares similar to that of a sale of interest in Shares or repurchase any Shares; or
- (C) enter into any transaction with the same economic effect as any transaction described in (A) or (B) above; or
- (D) offer or agree or contract or announce any intention to enter into or effect any such transaction described in (A), (B) or (C) above whether any of the foregoing transactions described in (A), (B) or (C) above is to be settled by delivery of Shares or such other securities, in cash or otherwise.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

2018

Last day of dealing in Shares on a cum-rights basis for the Rights Issue	Monday, 20 August
First day of dealing in Shares on an ex-rights basis for the Rights Issue	Tuesday, 21 August
Latest time for lodging transfer documents of Shares in order to be qualified for the Rights Issue	4:30 p.m. on Wednesday, 22 August
Closure of the register of members of the Company for determining entitlements under the Rights Issue	Thursday, 23 August to Wednesday, 29 August (both days inclusive)
Record Date for determining entitlements under the Rights Issue	Wednesday, 29 August
Register of members of the Company reopens	Thursday, 30 August
Despatch of Rights Issue Documents	Thursday, 30 August
First day of dealing in nil-paid Rights Shares	9:00 a.m. on Monday, 3 September
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Wednesday, 5 September
Last day of dealings in the Shares on a cum-rights basis for the 2018 Interim Dividend ^(Note 1)	Thursday, 6 September
First day of dealings in the Shares on an ex-rights basis) for the 2018 Interim Dividend ^(Note 1)	Friday, 7 September
Last day of dealing in nil-paid Rights Shares	Monday, 10 September

Latest time for lodging transfer documents
of the Shares in order to be qualified
for the 2018 Interim Dividend ^(Note 1) 4:30 p.m. on
Monday, 10 September

Closure of the register of members of
the Company for determining entitlements
under the 2018 Interim Dividend ^(Note 1) Tuesday, 11 September to
Thursday, 13 September
(both days inclusive)

Record date for determining entitlements to
the 2018 Interim Dividend ^(Note 1) Thursday, 13 September

Latest Time for Acceptance of and payment for
Rights Shares and application and
payment for excess Rights Shares 4:00 p.m. on
Thursday, 13 September

Latest time for the Rights Issue to
become unconditional 5:00 p.m. on
Friday, 14 September

Publication of announcement of results of
the Rights Issue and excess applications Thursday, 20 September

Refund cheques for wholly or partially unsuccessful
excess applications to be posted Friday, 21 September

Share certificates for fully-paid
Rights Shares to be posted Friday, 21 September

Dealing of fully-paid Rights Shares commences 9:00 a.m. on
Monday, 24 September

Designated broker starts to stand in the market to
provide matching service for odd lots of Shares Monday, 24 September

Designated broker ceases to stand in the market to
provide matching service for odd lots of Shares Tuesday, 16 October

Note:

1. The register of members of the Company will be closed from Tuesday, 11 September 2018 to Thursday, 13 September 2018 to ascertain the Shareholders who are entitled to receive the 2018 Interim Dividend. In order to qualify for the 2018 Interim Dividend, all transfer documents along with relevant share certificates must be lodged for registration with the Registrar by not later than 4:30 p.m. on Monday, 10 September 2018. Further details of the closure of register of members in relation to the 2018 Interim Dividend are set out in the announcement of the Company dated 14 August 2018.

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied by agreement between the Company and the Sole Underwriter and as appropriate, in accordance with the Listing Rules. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. typhoon signal No. 8 (or above); or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Final Acceptance Date. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Final Acceptance Date. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the currently scheduled date for the Final Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming no new Shares (other than Rights Shares) will be issued and no buy-back of Shares on or before the completion of the Rights Issue, set out below is the shareholding structure of the Company:

	As at the date of this announcement		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholders (save for CE Hong Kong taking up the Right Shares pursuant to the Irrevocable Undertaking) takes up any of the Rights Shares	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
CE Hong Kong ^(Note 1)	1,864,951,910	41.60	2,555,674,838	41.60	2,665,674,838	43.39
Sole Underwriter	–	–	–	–	859,540,664	14.00
Wong Kam Chung, Raymond	2,000,000	0.04	2,740,740	0.05	2,000,000	0.03
Fan Yan Hok, Philip	8,140,000	0.18	11,154,814	0.18	8,140,000	0.13
Public shareholders	<u>2,607,619,790</u>	<u>58.18</u>	<u>3,573,404,900</u>	<u>58.17</u>	<u>2,607,619,790</u>	<u>42.45</u>
Total	<u>4,482,711,700</u>	<u>100.00</u>	<u>6,142,975,292</u>	<u>100.00</u>	<u>6,142,975,292</u>	<u>100.00</u>

Note:

- Huijin is indirectly wholly-owned by the State Council of the PRC and holds 55.67% equity interest of China Everbright Group. China Everbright Group holds 100% of the issued shares of CE Hong Kong. CE Hong Kong holds (1) 100% of the issued shares of Datten Investments Limited (“**Datten**”) which in turn holds 55% of the issued shares of Guildford Limited (“**Guildford**”); (2) 100% of the issued shares of Everbright Investment & Management Limited (“**EIM**”); and (3) 45% of the issued shares of Guildford, respectively. Out of the 1,864,951,910 ordinary shares, 1,758,215,910 ordinary shares are held by Guildford. The remaining 106,736,000 ordinary shares are held by EIM. Accordingly, CE Hong Kong, China Everbright Group and Huijin are deemed to be interested in 1,758,215,910 ordinary shares held by Guildford and 106,736,000 ordinary shares held by EIM.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is a leading player in environmental protection industry of the PRC. At present, the Group has six major business sectors, namely environmental energy, environmental water (China Everbright Water Limited is listed on the mainboard of the Singapore Exchange Securities Trading Limited, stock code: U9E.SG), greentech (China Everbright Greentech Limited is listed on the main board of the Stock Exchange, stock code: 1257), envirotech, equipment manufacturing and international business. It also manages a large number of industry-leading and world-class projects, in the areas of waste-to-energy, water environment management, biomass integrated utilisation, hazardous waste treatment, solar energy, wind power, environmental protection engineering, technological research and development, environmental protection equipment manufacturing, and the planning and construction of environmental protection industrial parks. The Group has a business presence in over 140 locations across 21 provinces and municipalities in China, as well as in Germany, Poland and Vietnam.

The Board considers that it is prudent to finance the Group's long term growth by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position without increasing finance costs, but will also allow all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a price lower than the current market price of the Shares. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The estimated net proceeds of the Rights Issue will be approximately HK\$9,912 million (assuming no new Shares are issued (other than Rights Shares) and no buy-back of Shares on or before the Record Date).

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting, stamp duty, levy and documentation charges) are estimated to be approximately HK\$50 million.

The Group currently intends to apply the net proceeds from the Rights Issue as follows:

Amount of the net proceeds	Intended use of proceeds
1. Approximately HK\$5,947 million (About 60% of the net proceeds)	Will be used to implement our existing and future waste-to-energy projects
2. Approximately HK\$2,478 million (About 25% of the net proceeds)	Will be used to pursue other environmental protection businesses including but not limited to technological research and development, equipment manufacturing, waste sorting and management, and atmospheric monitoring and testing services
3. Approximately HK\$1,487 million (About 15% of the net proceeds)	Will be used for general working capital of the Group and repayment of bank loans

TAXATION

Qualifying Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

EQUITY FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

As the Rights Issue will not increase the number of issued shares or the market capitalization of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting. The Rights Issue Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable.

As CE Hong Kong is a controlling shareholder of the Company, it is a connected person of the Company under Chapter 14A of the Listing Rules. Pursuant to the Listing Rules, the taking up of its/their entitlements to the Rights Issue by CE Hong Kong or its relevant Subsidiaries as Qualifying Shareholder and subscription for the Rights Shares in excess of its/their entitlement under the Rights Issue (if applicable) are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Prospectus containing, among other things, further details of the Rights Issue is expected to be despatched by the Company to the Qualifying Shareholders on the Despatch Date. The PALs and the EAFs will also be sent to the Qualifying Shareholders on the same date. A copy of the Prospectus will also be made available on the websites of the Company (<http://www.ebchinaintl.com/en/ir/circulars.php>) and the Stock Exchange (<http://www.hkexnews.hk>). Subject to compliance with the relevant local laws, regulations and requirements, the Company will send a copy of the Prospectus to each of such Overseas Shareholders for information only, but not the PAL or the EAF.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

It should be noted that the Rights Issue is conditional upon several conditions, details of which are set out in the section headed “Underwriting Arrangement – Conditions of the Rights Issue” of this announcement. If the conditions are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled or waived (as applicable) (and the date on which the Sole Underwriter’s right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Monday, 3 September 2018 to Monday, 10 September 2018 will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

2018 Interim Dividend	the Company’s interim dividend of HK12.0 cents per Share for the six months ended 30 June 2018 as announced by the Company on 14 August 2018
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“Beneficial Owner(s)”	any beneficiary owner(s) of Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for business of dealings in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CE Hong Kong”	China Everbright Holdings Company Limited (中國光大集團有限公司), a company incorporated under the laws of Hong Kong with limited liability which is wholly owned by China Everbright Group, and is a controlling Shareholder of the Company
“China Clear”	China Securities Depository and Clearing Corporation Limited
“China Everbright Group”	China Everbright Group Ltd., a limited liability company incorporated under the laws of the PRC which is indirectly owned as to 55.67% equity interest by Huijin and 44.33% by Ministry of Finance of the PRC, and is a controlling Shareholder of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	China Everbright International Limited, a company incorporated under the laws of Hong Kong with limited liability and whose Shares are listed on the Stock Exchange (Stock Code: 257)
“connected person”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Despatch Date”	Thursday, 30 August 2018 or such later date as may be agreed between the Company and the Sole Underwriter for the despatch of the Rights Issue Documents
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) for additional Rights Shares to be applied by the Qualifying Shareholders (other than the PRC Southbound Trading Investors)
“Existing Shares”	the Shares which are in issue on the Record Date
“Final Acceptance Date”	Thursday, 13 September 2018 (or such other date as the Sole Underwriter and the Company may agree in writing as the latest date for acceptance of, and payment for, the Rights Shares under the Rights Issue)
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huijin”	Central Huijin Investment Limited* (中央匯金投資有限責任公司), a company incorporated under the laws of the PRC with limited liability
“Irrevocable Undertaking”	the irrevocable undertaking dated 14 August 2018 given by CE Hong Kong in favour of the Company and the Sole Underwriter to, among other things, take up and/or procure its subsidiaries to take up 800,722,928 Rights Shares
“Last Trading Day”	Monday, 13 August 2018, being the last full trading day of the Shares on the Stock Exchange immediately before the release of this announcement

“Latest Time for Acceptance”	a time which is currently expected to be 4:00 p.m. on the Final Acceptance Date, being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Latest Time for Termination”	5:00 p.m. on the first Business Day following the Final Acceptance Date, or such later date as the Company and the Sole Underwriter may agree in writing
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) in respect of whom the Directors, based on enquires made by and legal advices in the relevant jurisdictions obtained by the Company, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that/those place(s)
“Overseas Shareholder(s)”	(i) Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register is/are outside Hong Kong, and (ii) Shareholder(s) or Beneficiary Owner(s) who is/are otherwise known by the Company to be resident(s) of any jurisdictions outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) representing the Rights Shares proposed to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“PRC”	the People’s Republic of China

“PRC Southbound Trading Investors”	the PRC investors who hold the shares of Hong Kong listed companies through China Clear as nominee under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholders (if any)
“Record Date”	Wednesday, 29 August 2018, the record date to determine entitlements to the Rights Issue (or such other date as may be agreed between the Company and the Sole Underwriter)
“Registered Owner”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorized custodian or third party which is the registered holder in the register of members of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	the share registrar and transfer office of the Company, being Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the issue of Rights Shares at the Subscription Price on the basis of 10 Rights Shares for every 27 Existing Shares, payable in full upon acceptance
“Rights Issue Documents”	the Prospectus, the PAL(s) and the EAF(s) proposed to be despatched to the Qualifying Shareholders on the Despatch Date and any such supplemental prospectus to be despatched to the Qualifying Shareholders (if required)
“Rights Shares”	the 1,660,263,592 new Shares to be issued and allotted under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shanghai-Hong Kong Stock Connect” or “Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing platform under which PRC domestic investors may trade in the Stock Exchange via China Clear
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of the Company
“Sole Underwriter”	China International Capital Corporation Hong Kong Securities Limited, a company incorporated under the laws of Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$6.00 per Rights Share
“Underwriting Agreement”	the underwriting agreement dated 14 August 2018 entered into between the Company and the Sole Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	859,540,664 Rights Shares, being such number of Rights Shares to be issued pursuant to the Rights Issue less the number of the Rights Shares which CE Hong Kong has undertaken to take up pursuant to the Irrevocable Undertaking
“%”	percentage or per centum

By order of the Board
China Everbright International Limited
Wang Tianyi
Chief Executive Officer

Hong Kong, 14 August 2018

As at the date of this announcement, the board of directors of the Company comprises: (i) five executive directors, namely Mr. Cai Yunge (Chairman), Mr. Wang Tianyi (Chief Executive Officer), Mr. Wong Kam Chung, Raymond, Mr. Hu Yanguo and Mr. Qian Xiaodong; and (ii) four independent non-executive directors, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn, Mr. Zhai Haitao and Mr. Suo Xuquan.

** For identification purposes only*