

Press Release

**CEL's Everbright Guolian Fund successfully exits from
Jiacheng Environmental Protection**

Sells 55% equity to listed company Bohai Water Industry in CSRC-approved transaction

6 December 2016 – **China Everbright Limited** (“CEL”, stock code: 165.HK) and **Wuxi Guolian Financial Investment Group Co., Ltd.** (“Guolian Group”) announced that Bohai Water Industry (stock code: 000605.SZ) has acquired 55% of the equity in Jiacheng Environmental Protection Engineering Co., Ltd. (“Jiacheng Environmental Protection”), a project invested by the Everbright Guolian Fund in December 2013. The fund was jointly established by CEL and Guolian Group. The transaction, approved by the Issuance Examination Committee of the China Securities Regulatory Commission, was made on 21 November 2016 through a private placement in which Bohai Water Industry acquired in cash all equity of Jiacheng Environmental Protection held by Everbright Guolian Fund. The IRR of the project is forecast at approximately 50% as calculated by the mergers and acquisitions (M&A) price, marking another successful project exit through M&A by a listed company for Everbright Guolian Fund.

Everbright Guolian Fund was jointly set up by Everbright Hui Yi Capital Management (Beijing) Co., Ltd. (“Everbright Hui Yi”), a venture capital fund management platform wholly owned by CEL, and Guolian Group in November 2009. The fund has eight investment projects with a total fund size of RMB520 million. Everbright Guolian Fund focuses on investing in small-and medium-sized mainland China high-tech and high-growth enterprises in the start-up and growth stages. It exits from projects mainly via listings on the SME board and GEM board or M&A. Prior to this transaction, Everbright Guolian Fund had exited from three projects – one via IPO, one via M&A by a listed company and one through equity transfer – for a total amount of approximately RMB300 million. Everbright Guolian Fund is currently planning exits from three more projects via IPO or M&A by listed companies, all of which are expected to bring substantial return to investors.

Jiacheng Environmental Protection is a leading high-tech environmental protection enterprise in Hebei Province, a member unit of the All-China Environment Federation and a member of the China Environment Service Industry Association. Incorporated in March 2005, the company's “11,000 m³/d Black-odor River Ecological Rehabilitation Project” was rated as a “2013 National Key Environmental Protection Practical Technology Demonstration Project”. In 2012 it established the local standard of engineering technology for disposing of wastewater produced in the solar cell industry. It also runs many sewage disposal plants in various cities across Hebei Province.

Jiacheng Environmental Protection has a strong reputation and quality brand image in its industry. The company was accredited by www.h2o-china.com as a “2012 Fastest Growing Service Enterprise in China's Water Industry”, “2013 Annual Growth Enterprise of Small Town Sewage Treatment”, “2013 Excellent Operator of Municipal Sewage Disposal Plant” and “2013 Advanced Unit of Energy Conservation and Emission Reduction”. It was also named by China Environment News as a “2012 National Excellent Brand of Environmental Protection”.

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About China Everbright Limited

China Everbright Limited (“CEL”, stock code: 165.HK) is the largest overseas financial platform of China Everbright Group Ltd. (“Everbright Group”). It is the second-largest shareholder of Everbright Securities (stock code: 601788.SH, 6178.HK), a strategic shareholder of China Everbright Bank (stock code: 601818.SH, 6818.HK), the controlling shareholder of the Hong Kong-listed China Aircraft Leasing Group Holdings Limited (stock code: 1848.HK), the largest shareholder of Shanghai Jiabao Industry & Commerce (Group) Co., Ltd (stock code: 600622.SH) and the second-largest shareholder of the Singapore-listed Ying Li International Real Estate Limited (stock code : 5DM. SGX). As at end-June 2016, CEL managed 33 funds with a total fundraising amount of more than HK\$67.8 billion. Everbright Group, the parent company of CEL, is a state-owned financial conglomerate with AUM of approximately RMB3,000 billion as at end-2015. For more information about CEL, please visit www.everbright165.com.

About Guolian Group

Guolian Group is a wholly state-owned conglomerate funded by the Wuxi Municipal People's Government that also functions as a “state-owned asset investment entity”. It has registered capital of RMB8 billion and is mainly engaged in the financial and industrial sectors. Guolian Group is now capable of providing a full range of financial products and services, including Guolian Securities (stock code: 1456.HK), which operates in venture capital funds, trusts, banks, futures, guarantees, financial companies, asset management, equity transaction, life insurance and more. As at end-2015, the value of financial assets under its management exceeded RMB440 billion. Its industrial businesses mainly include environmentally friendly energy, textiles, goods and materials, real estate and hotels. It is now making active moves towards new energy in a bid to expand the listing platform for Guanghai Shares (stock code: 600475.SH). For more information about Guolian Group, please visit www.glqc.com.cn.