

## **Everbright announces IPO for QinFa Group**

3 July 2009

The Hong Kong public offer of China Qinfa Group Limited (stock code: 866), of which China Everbright Capital Limited and China Everbright Securities (HK) Limited, subsidiaries of China Everbright Limited, acted as the Sole Sponsor, Sole Bookrunner and Sole Lead Manager, was oversubscribed by more than 96 times. Dealings of Qinfa's shares on the Main Board of Hong Kong Stock Exchange commenced on July 3, 2009 (Friday). The offer price has been determined at HK\$2.52 per share in broad lots of 2,000 shares. The Hong Kong public offer has raised approximately HK\$630 million in total.

Qinfa Group offered a total of 250,000,000 new shares under the global offer (without taking into account the shares which may be allotted and issued pursuant to the over-allotment option). Due to the over-subscription in the Hong Kong public offer, the clawback mechanism has been applied and the number of shares allocated to the Hong Kong public offer has been increased to 100,000,000 Shares, representing 40% of the total number of shares available under the global offer. The remaining 150,000,000 shares have been allotted to the international placing for selected professional, institutional and individual investors.

Qinfa Group is the largest non-state-owned coal operator in the PRC in terms of annual coal trading volume, with an average annual coal trading volume of over 7 million tonnes in the past three years, and accounting for 21% of the total coal trading volume of the top ten non-state-owned coal operators in the PRC in 2008.

Qinfa Group's coal operating business, which involves purchase and sales, filtering, storage, blending, shipping and transportation of coal, provides integrated supply chain services to its customers from procurement of coal to delivery of the coal to the designated place of its customers. Being part of its coal operation business, the group has provided shipping transportation services to its customers since 2005. The volume of coal imports in the PRC has increased substantially in recent years as a result of increasing coal consumption along the coastal regions of the PRC. Shipping transportation is crucial to the coal operation industry since coal purchased from overseas markets is transported through shipping transportation to China.

Qinfa Group operates two major coal loading stations in Datong and Yangyuan. The two coal loading stations have an aggregate annual coal handling and transportation capacity of over seven million tonnes. Through these two coal loading stations, Qinfa Group has direct access to the Daqin Railway which is the largest coal railway in the PRC connecting Datong in Shanxi with Qinhuangdao port, the largest coal loading port and bulk cargo port in the world.

Qinfa Group plans to establish a public dry bulk coal terminal located at Gao Langang Zone, Zhuhai, the PRC (中國珠海港高欄港區) which will provide coal port services, including coal transshipment, coal storage and coal blending for its own use as well as other independent customers. Provision of such coal port services will be an extension and complement to Qinfa Group's existing integrated supply chain services and coal operation business. Zhuhai Terminal will also serve as a coal transshipment hub whereas coal purchased in overseas markets by the group can be transported to Zhuhai Terminal for transshipment.

Qinfa Group also plans to establish a new coal loading station along the Daqin Railway to further enhance its coal transportation capacity in Shanxi and its direct access to rail transportation at different locations along the Daqin Railway. The new coal loading station is expected to have an annual coal handling and transportation capacity of seven million tonnes, which will double Qinfa Group's coal handling and transportation capacity upon its operation.

Qinfa Group is the second listing sponsored by Everbright this year, following the successful Main Board listing of Strong Petro (stock code: 852).