

Press Release

26 May 2010

Everbright ALAM introduces Ashmore as new strategic partner

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Everbright ALAM will be renamed as Everbright Ashmore

Hong Kong , 26th May 2010 – China Everbright Limited (“Everbright” or the “Group”; HKEx stock code: 165) today announced the sale of up to a 39% stake in Everbright ALAM to Ashmore Investment Management Limited (“Ashmore”), a specialist emerging markets asset manager. Everbright ALAM is an investment manager specializing in China real estate that is currently owned by Everbright and RQSI Limited, an experienced real estate investment manager. Everbright ALAM will be renamed as Everbright Ashmore following the transaction.

After the completion of the deal, Everbright will remain the controlling interest in Everbright Ashmore with 51%. Everbright Ashmore will act as the investment manager for the Everbright Ashmore China Real Estate Fund, which targets investments in Chinese real estate with an emphasis on residential and retail opportunities in 2nd- and 3rd-tier cities.

Ashmore identified the transaction as a way to buy into an existing real estate business with experience in deal sourcing and execution as well as strong relationships with local Chinese developers. Ashmore will also be committing capital for the second round of fundraising for the real estate fund, which raised over US\$100 million during its initial fund closing. As of 31 December 2009, Everbright Ashmore’s total assets under management had reached US\$210 million, including both funds raised and property projects under management.

Mr Chen Shuang, Executive Director and Chief Executive Officer of China Everbright Limited, said, “We are seeing more attractive opportunities in the mainland China real estate market, particularly in the second- and third-tier cities, as a result of recent government measures to restrict speculative excesses in the domestic property market. While the government’s measures will foster healthier market development, tightened credit facilities present even more lucrative prospects for a private equity investment vehicle with an excellent reputation, such as Everbright Ashmore.

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Ashmore is a superb partner with strong international brand recognition in emerging markets, and we are now even better poised to capture business opportunities as China's property market continues to prosper. Ashmore will also open up opportunities for Everbright in Europe and elsewhere in the world in the longer term."