

Everbright Successfully Launches Mezzanine Fund Completes the First Tranche of Fund Raising at RMB 800 Million

October 2012 – China Everbright Limited (“Everbright”) successfully raised RMB 800 million at the initial phase for the establishment of China’s second Renminbi-denominated Mezzanine Fund. The Fund was established via a partnership, to which Everbright invested RMB 400 million. The remaining capital comes from institutional investors in the mainland.

The Mezzanine Fund will focus on financing merger and acquisitions, corporate equity pledge and financing, as well as mineral resources, energy and other industries which allow for registrable assets and pledge financing investment opportunities. Its flexibility includes a guarantee on debt / non-guaranteed debt, mezzanine capital, convertible claims and other types of financial instruments. On one hand, it helps obtain steady cash flow through debt investment; while on the other hand, it helps share company growth through capital appreciation brought about by equity investment.

In the face of a complex economic environment, Everbright’s Mezzanine Fund completed its first tranche of fund raising of RMB 800 million. The success was principally contributed by the excellent performance of Everbright’s structural investment and financing business over the past three years. The mezzanine investments carried out using the Fund will not only expand Everbright’s asset management business, it can also provide investors with opportunities for investment in non-traditional private equity funds, and offers a primary market for focus on equity investment opportunities with Everbright and supplements a secondary market for listed securities transactions.

At present, Everbright manages primary market investment, secondary market investment; structured investment and finances three major business segments. It also manages a total of 14 funds, which are worth about HK\$ 23 billion.