

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China Everbright International Limited**, you should at once hand this circular, the 2017 annual report and proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CHINA EVERBRIGHT INTERNATIONAL LIMITED

中國光大國際有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 257)

**PROPOSALS INVOLVING
GENERAL MANDATES TO ISSUE NEW SHARES
AND BUY BACK SHARES
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of China Everbright International Limited to be held at Island Ballroom, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 16th May, 2018 at 3:00 p.m. is set out on pages 15 to 19 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the meeting should they so wish.

Hong Kong, 29th March, 2018

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

| | |
|-----------------------------------|---|
| “AGM Notice” | the notice dated 29th March, 2018 convening the AGM as set out on pages 15 to 19 of this circular |
| “Annual General Meeting” or “AGM” | the annual general meeting of the Company to be held at Island Ballroom, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 16th May, 2018 at 3:00 p.m. |
| “Articles of Association” | the articles of association of the Company from time to time |
| “Board” | the board of directors of the Company or a duly authorized committee thereof for the time being |
| “Buy-back Mandate” | the general mandate proposed to be granted to the Directors to exercise the powers of the Company to buy back Shares during the period as set out in the Ordinary Resolution No.(2) in item 5 in the AGM Notice up to 10% of the total number of issued Shares as at the date of passing the Ordinary Resolution No.(2) |
| “Companies Ordinance” | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) |
| “Company” | China Everbright International Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on HKEx |
| “Directors” | the directors of the Company for the time being |
| “Group” | the Company and its subsidiaries from time to time |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “HKEx” | The Stock Exchange of Hong Kong Limited |

DEFINITIONS

| | |
|---------------------------|---|
| “Issue Mandate” | the general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the period as set out in the Ordinary Resolution No.(1) in item 5 in the AGM Notice up to 20% of the total number of issued Shares as at the date of passing the Ordinary Resolution No.(1) |
| “Latest Practicable Date” | 23rd March, 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Ordinary Resolution(s)” | the proposed ordinary resolution(s) set out in item 5 in the AGM Notice |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | share(s) of the Company with no nominal value |
| “Share Buy-back Rules” | the relevant rules set out in the Listing Rules to regulate the buy-back by companies with primary listing of their own securities on HKEx |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Takeovers Code” | the Code on Takeovers and Mergers |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |



CHINA EVERBRIGHT INTERNATIONAL LIMITED

中國光大國際有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 257)

Directors:

Executive Directors:

CAI Yunge (*Chairman*)

WANG Tianyi (*Chief Executive Officer*)

WONG Kam Chung, Raymond (*Chief Financial Officer*)

HU Yanguo (*Deputy General Manager*)

QIAN Xiaodong (*Deputy General Manager*)

Registered Office:

Room 2703, 27th Floor

Far East Finance Centre

16 Harcourt Road

Hong Kong

Independent non-executive Directors:

FAN Yan Hok, Philip

MAR Selwyn

ZHAI Haitao

29th March, 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING
GENERAL MANDATES TO ISSUE NEW SHARES
AND BUY BACK SHARES
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed renewal of the general mandates to allot, issue and deal with Shares and to buy back Shares, and the re-election of the retiring Directors and to seek your approval of the resolutions relating to these matters at the AGM to be held at Island Ballroom, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 16th May, 2018 at 3:00 p.m., notice of which is set out on pages 15 to 19 of this circular.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 24th May, 2017, general mandates were given to the Directors to allot, issue and deal with Shares and to exercise the powers of the Company to buy back Shares in accordance with the Share Buy-back Rules. Such general mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval at the AGM to renew these general mandates to allot, issue and deal with Shares and to buy back Shares.

It will be proposed at the AGM the Ordinary Resolutions Nos.(1) and (3) set out in item 5 in the AGM Notice for granting to the Directors the Issue Mandate to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing the Ordinary Resolution No.(1) set out in item 5 in the AGM Notice and adding to the Issue Mandate so granted to the Directors any Shares representing the aggregate number of the Shares bought back by the Company after the granting of the general mandate to buy back Shares up to 10% of the total number of issued Shares as at the date of passing the Ordinary Resolution No.(2) set out in item 5 in the AGM Notice. The Issue Mandate shall be exercisable during the period from the passing of the Ordinary Resolution No.(1) set out in item 5 in the AGM Notice until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of Hong Kong to be held; or
- (iii) the date on which the authority set out in such Ordinary Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

3. GENERAL MANDATE TO BUY BACK SHARES

It will also be proposed at the AGM the Ordinary Resolution No.(2) set out in item 5 in the AGM Notice for granting to the Directors the Buy-back Mandate to exercise the powers of the Company to buy back Shares up to 10% of the total number of issued Shares as at the date of passing the Ordinary Resolution No.(2) set out in item 5 in the AGM Notice. The Buy-back Mandate shall be exercisable during the period from the passing of the Ordinary Resolution No.(2) set out in item 5 in the AGM Notice until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of Hong Kong to be held; or
- (iii) the date on which the authority set out in such Ordinary Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

LETTER FROM THE BOARD

An explanatory statement, as required to be sent to the Shareholders under the Share Buy-back Rules and under the Companies Ordinance, to provide the requisite information for your consideration of the Ordinary Resolution No.(2) set out in item 5 in the AGM Notice in respect of the Buy-back Mandate is set out in the Appendix I hereto.

4. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of eight Directors, comprising (i) five executive Directors, namely Mr. Cai Yunge, Mr. Wang Tianyi, Mr. Wong Kam Chung, Raymond, Mr. Hu Yanguo and Mr. Qian Xiaodong; and (ii) three independent non-executive Directors, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn and Mr. Zhai Haitao.

Pursuant to the article 73 of the Articles of Association, Messrs. Hu Yanguo and Qian Xiaodong who were appointed as new Directors with effect from 1st January, 2018, will retire at the AGM and, being eligible, offer themselves for re-election.

Pursuant to the article 77 of the Articles of Association, Messrs. Wong Kam Chung, Raymond, Fan Yan Fok, Philip and Mar Selwyn, being the Directors longest in office since their last re-election, will retire by rotation from office at the AGM and, being eligible, offer themselves for re-election.

Mr. Mar Selwyn was appointed and has served as independent non-executive Director for more than nine years since September 2004. Pursuant to Code A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, (a) having served the Company for more than nine years could be relevant to the determination of an independent non-executive director's independence and (b) if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by the Shareholders.

The Company has received from Mr. Mar Selwyn a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Mr. Mar Selwyn has not engaged in any executive management of the Group. Taking into consideration of his independent scope of works in the past years, the Directors consider Mr. Mar Selwyn to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. Accordingly, Mr. Mar Selwyn shall be subject to retirement by rotation and re-election by way of a separate resolution to be approved by the Shareholders in the AGM.

Details of the retiring Directors proposed for re-election at the AGM are set out in Appendix II to this circular.

5. ANNUAL GENERAL MEETING

Set out on pages 15 to 19 of this circular is the AGM Notice containing, inter alia, ordinary resolutions which will be proposed at the AGM to approve respectively the Issue Mandate, the Buy-back Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors.

LETTER FROM THE BOARD

6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

7. ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the AGM if they so wish.

8. RECOMMENDATION

The Board believes that the proposals for granting of the Issue Mandate, the Buy-back Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors as set out in the AGM Notice are all in the best interests of the Company and the Shareholders. Accordingly, the Board recommends that all Shareholders should vote in favour of the relevant resolutions set out in the AGM Notice.

Yours faithfully,
China Everbright International Limited
Cai Yunge
Chairman

This appendix serves as an explanatory statement as required to be sent to the Shareholders under the Share Buy-back Rules to provide the requisite information for your consideration of the Buy-back Mandate and also constitutes the memorandum as required under section 239(2) of the Companies Ordinance.

(A) SHARES

As at the Latest Practicable Date, the number of issued Shares was 4,482,711,700 Shares.

Subject to the passing of the Ordinary Resolution No.(2) set out in item 5 in the AGM Notice in respect of the Buy-back Mandate and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 448,271,170 Shares during the period as set out in Ordinary Resolution No.(2) set out in item 5 in the AGM Notice representing not more than 10% of the total number of issued Shares at the Latest Practicable Date.

(B) REASONS FOR THE BUY-BACK

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders. Such buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that a buy-back will benefit the Company and its Shareholders.

(C) FUNDING OF BUY-BACK

In Share buy-back, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the payment in respect of share buy-back may only be paid from distributable profits of the Company or the proceeds of a new issue of Shares made for the purpose of share buy-back to such extent allowable under the Companies Ordinance.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31st December, 2017 in the event that the power to buy back Shares pursuant to the Buy-back Mandate were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the power to buy back Shares pursuant to the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(D) SHARE PRICES

The highest and lowest prices at which the Shares have traded on HKEx during each of the previous twelve months up to the Latest Practicable Date were as follows:

| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|--|-------------------------------|------------------------------|
| 2017 | | |
| March | 11.140 | 10.140 |
| April | 10.900 | 10.080 |
| May | 10.800 | 9.700 |
| June | 10.060 | 9.330 |
| July | 10.420 | 9.240 |
| August | 10.780 | 10.020 |
| September | 10.420 | 9.700 |
| October | 11.400 | 9.910 |
| November | 11.180 | 10.300 |
| December | 11.180 | 10.360 |
| 2018 | | |
| January | 12.800 | 10.840 |
| February | 12.340 | 10.740 |
| March (up to and including the Latest Practicable Date) | 12.480 | 11.220 |

(E) UNDERTAKING

The Directors have undertaken to HKEx that, so far as the same may be applicable, they will exercise the powers of the Company to buy-back Shares pursuant to the Buy-back Mandate and in accordance with the Listing Rules, the Companies Ordinance and any other applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company under the Buy-back Mandate if such Buy-back Mandate is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell the Shares to the Company, or have undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

(F) TAKEOVERS CODE

If on the exercise of the power to buy back Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Central Huijin Investment Limited ("**Huijin**") together with their close associates are beneficially interested in 1,864,951,910 Shares representing approximately 41.60% of the issued Shares. In the event that the Directors exercise in full the power to buy back Shares pursuant to the Buy-back Mandate, then (if the present shareholdings remain the same), the shareholdings of Huijin together with their close associates will be increased to approximately 46.23% of the then issued Shares.

Based on such shareholding and in the event that the Directors exercised in full the power to buy back Shares pursuant to the Buy-back Mandate, an obligation to make a general offer by Huijin to the Shareholders under Rule 26 of the Takeovers Code may arise. The Directors have no present intention to exercise the power to buy back Shares pursuant to the Buy-back Mandate to such an extent as would trigger the obligation under the Takeovers Code in the manner described above.

In the event that the Buy-back Mandate is exercised in full, the number of Shares held by the public will not fall below 25%.

(G) SHARE BUY-BACK MADE BY THE COMPANY

The Company has not bought back any of its Shares (whether on HKEx or otherwise) in the six months preceding the Latest Practicable Date.

| |
|--|
| APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION |
|--|

The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:

WONG KAM CHUNG, RAYMOND aged 54, is the executive Director and Chief Financial Officer of the Company. Mr. Wong holds a Master of Business Administration Degree, a Master of Management Degree in Information Technology Management from Macquarie University, Australia, and a Bachelor of Arts with Honours Degree in Accountancy from the City University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, a member of the Institute of Chartered Accountants of England and Wales, a fellow member of the Association of Chartered Certified Accountants of United Kingdom and a member of the Chartered Professional Accountants of Canada. He has extensive experience in accounting, finance and auditing areas. Mr. Wong joined the Board in December 2002. Save as disclosed above, Mr. Wong did not hold any directorship in any other listed public companies in the past three years.

Mr. Wong is a member of the Risk Management Committee and Disclosure Committee of the Company. He is also a director of several subsidiaries of the Group. Save as disclosed above, he does not hold any position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Wong has personal interest in 2,000,000 Shares. He is not entitled to any remuneration in his capacity as the executive Director of the Company. Mr. Wong is entitled to an annual salary of HK\$2,300,000 as the Chief Financial Officer of the Company, and a meeting allowance of (i) HK\$10,000 for each Board meeting; and (ii) HK\$5,000 for each Risk Management Committee meeting. He is also entitled to a year-end discretionary bonus determined by the Remuneration Committee of the Company at its absolute discretion having regard to the Company's performance and the market situation. In accordance with the appointment letter between the Company and Mr. Wong, he is not appointed for a specific term of service except that he is subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association. There is no agreement in respect of the director's remuneration of Mr. Wong and his director's remuneration will be determined by the Board by reference to the prevailing market conditions and subject to the Shareholders' approval at the AGM. Save as disclosed above, Mr. Wong does not have any relationship with any Directors, senior management, substantial or controlling Shareholders of the Company and does not have any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Wong has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

HU YANGUO aged 51, is the executive Director and Deputy General Manager of the Company, and the general manager of Everbright Environmental Protection (China) Company Limited (a wholly-owned subsidiary of the Company). Mr. Hu was formerly the non-executive director of China Everbright Greentech Limited ("**Everbright Greentech**") (the Company's subsidiary and the shares of which are listed on HKEx. Prior to joining the Group, Mr. Hu was the person-in-charge of the accounting department of the Guangzhou branch of China Everbright Bank Company Limited (the shares of which are listed on the Shanghai Stock Exchange ("**SSE**") and HKEx). Mr. Hu obtained a bachelor's degree in

| |
|--|
| APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION |
|--|

mathematics and a master's degree in forestry economy and management from Northeast Forestry University in the People's Republic of China (the "PRC"). He is a certified public accountant in the PRC. Mr. Hu joined the Board in January 2018.

Mr. Hu was a director of Qinghai Xiancheng Industry Stock Co., Ltd.* ("Xiancheng Industry") (the shares of which are listed on SSE with stock code 600381) from June 2001 to April 2006. During his tenure, Xiancheng Industry did not timely disclose its external guarantee, and therefore Xiancheng Industry did not comply with the Rules Governing the Listing of Stocks on SSE and breached the Securities Law of the PRC (the "Incidents"). Xiancheng Industry was publicly reprimanded by SSE and warned by China Securities Regulatory Commission ("CSRC") with a fine of RMB300,000. As advised by Mr. Hu, although the Incidents were caused by the untimely disclosure of the external guarantee by Xiancheng Industry, Mr. Hu was criticized by SSE and warned by CSRC with a fine of RMB30,000 since he was the then director of Xiancheng Industry. Save as disclosed above, Mr. Hu did not hold any directorship in any other listed public companies during the past three years.

So far as the Company is aware, there is no evidence that the Incidents involved any act of dishonesty, fraudulence or issue of integrity of Mr. Hu which would affect his suitability as a director of a listed company; and the Incidents occurred more than 10 years ago. Mr. Hu has not received any further correspondences from the relevant regulatory authorities in connection with any further investigation by any judicial, regulatory or governmental authority in relation to the Incidents. Accordingly, the Board considers that Mr. Hu is competent and suitable to act as a director pursuant to Rules 3.08 and 3.09 of the Listing Rules and he possesses the experience, skill and character to be the Executive Director.

Mr. Hu is a member of the Risk Management Committee and Disclosure Committee of the Company. He is also a director of several subsidiaries of the Group. Save as disclosed above, he does not hold any position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Hu does not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Hu is not entitled to any remuneration in his capacity as the executive Director. Mr. Hu is entitled to an annual salary of HK\$2,200,000 as the Deputy General Manager of the Company, and will be entitled to a meeting allowance of (i) HK\$10,000 for each Board meeting; and (ii) HK\$5,000 for each Risk Management Committee meeting. He is also entitled to a year-end discretionary bonus determined by the Remuneration Committee of the Company at its absolute discretion having regard to the Company's performance and the market situation. In accordance with the appointment letter between the Company and Mr. Hu, he is not appointed for a specific term of service except that he is subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association. There is no agreement in respect of the Director's remuneration of Mr. Hu and his Director's remuneration will be determined by the Board by reference to the prevailing market conditions and subject to the Shareholders' approval at the AGM. Save as disclosed above, Mr. Hu does not have any relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

* For identification purpose only

| |
|--|
| APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION |
|--|

Save as disclosed above, Mr. Hu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

QIAN XIAODONG aged 45, is the executive Director and Deputy General Manager of the Company. Mr. Qian is an executive director and the chief executive officer of Everbright Greentech (the Company's subsidiary and the shares of which are listed on HKEx). Mr. Qian had been the General Manager of the investment development department of the Company and the General Manager of Everbright Environmental Protection Venture Capital (Shenzhen) Ltd, a wholly-owned subsidiary of the Company. He obtained a bachelor's degree in thermal engineering from Dalian University of Technology in the PRC and a master's degree in environment engineering from the Southeast University in the PRC. Mr. Qian joined the Board in January 2018. Save as disclosed above, Mr. Qian did not hold any directorship in any other listed public companies in the past three years.

Mr. Qian is a member of the Disclosure Committee of the Company. He is also a director of several subsidiaries of the Group. Save as disclosed above, he does not hold any position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Qian does not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Qian is not entitled to any remuneration in his capacity as the executive Director. Mr. Qian is entitled to an annual salary of HK\$1,950,000 as the chief executive officer of Everbright Greentech, and a meeting allowance of HK\$10,000 for each Board meeting. He is also entitled to a year-end discretionary bonus from Everbright Greentech determined by the remuneration committee of Everbright Greentech at its absolute discretion having regard to the performance of Everbright Greentech and the market situation. In accordance with the appointment letter between the Company and Mr. Qian, he is not appointed for a specific term of service except that he is subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association. There is no agreement in respect of the Director's remuneration of Mr. Qian and his Director's remuneration will be determined by the Board by reference to the prevailing market conditions and subject to the Shareholders' approval at the AGM. Save as disclosed above, Mr. Qian does not have any relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

Save as disclosed above, Mr. Qian has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

| |
|--|
| APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION |
|--|

FAN YAN HOK, PHILIP aged 68, is an independent non-executive Director of the Company. He is also an independent non-executive director of the following Hong Kong listed public companies, namely Hysan Development Company Limited, First Pacific Company Limited, China Aircraft Leasing Group Holdings Limited and PFC Device Inc. He was formerly an independent non-executive director of Guolian Securities Co., Ltd, a Hong Kong listed company, until July 2016. Mr. Fan was also formerly an independent director of Goodman Group, an Australian listed company and a member of the Asian Advisory Committee of AustralianSuper, a pension fund established in Australia, until November 2017 and February 2017 respectively. Mr. Fan holds a Bachelor's Degree in Industrial Engineering, a Master's Degree in Operations Research from Stanford University and a Master's Degree in Management Science from Massachusetts Institute of Technology. Before joining the Company in 1997, he was an executive director of CITIC Pacific Limited in charge of industrial projects in the PRC. He joined the Board in November 1997 and was re-designated as a non-executive Director and an independent non-executive Director of the Company in January 2010 and December 2012 respectively. Save as disclosed above, Mr. Fan did not hold any directorship in any other listed public companies in the past three years.

Mr. Fan is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company, and he is also the Chairman of the Risk Management Committee. Save as disclosed above, he does not hold any position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Fan has personal interests in 8,140,000 Shares. Mr. Fan was appointed for a term of two years until 31st December, 2019 and subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association. He is entitled to have a Director's fee of HK\$320,000 per annum which is subject to the approval of the Board by reference to the prevailing market conditions and subject to the Shareholders' approval at AGM. He is also entitled to a meeting allowance of (i) HK\$10,000 for each Board meeting; (ii) HK\$8,000 for each Risk Management Committee meeting; and (iii) HK\$5,000 for each Audit Committee meeting, Remuneration Committee meeting and Nomination Committee meeting. Save as disclosed above, Mr. Fan does not have any relationship with any Directors, senior management, substantial or controlling Shareholders of the Company and does not have any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Fan has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

| |
|--|
| APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION |
|--|

MAR SELWYN aged 82, is an independent non-executive Director of the Company. Mr. Mar graduated from the London School of Economics, University of London. He is a fellow member of the Institute of Chartered Accountants of United Kingdom and the Hong Kong Institute of Certified Public Accountants. He is a director of Nexia Charles Mar Fan Limited. He is also an independent non-executive director and chairman of the audit committee of Minmetals Land Limited and Man Yue Technology Holdings Limited as well as an independent non-executive director of PanAsialum Holdings Company Limited. He was formerly an independent non-executive director of China Kingstone Mining Holdings Limited until December 2015. He was the President of Hong Kong Society of Accountants (now known as Hong Kong Institute of Certified Public Accountants) in 1991. Mr. Mar is an Honorary Fellow of the Lingnan University. He joined the Board in September 2004. Save as disclosed above, Mr. Mar did not hold any directorship in any other listed public companies in the past three years.

Mr. Mar is the Chairman of the Audit Committee and a member of the Remuneration Committee, Nomination Committee and Risk Management Committee of the Company. Save as disclosed above, he does not hold any position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Mar does not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Mar was appointed for a term of two years until 31st December, 2019 and subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association. He is entitled to have a Director's fee of HK\$320,000 per annum which is subject to the approval of the Board by reference to the prevailing market conditions and the Shareholder's approval at AGM. He is also entitled to a meeting allowance of (i) HK\$10,000 for each board meeting; (ii) HK\$8,000 for each Audit Committee meeting; and (iii) HK\$5,000 for each Remuneration Committee meeting, Nomination Committee meeting and Risk Management Committee meeting. Save as disclosed above, Mr. Mar does not have any relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

Save as disclosed above, Mr. Mar has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

In the opinion of the Directors, other than the aforesaid matters, there are no other matters that need to be brought to the attention of the Shareholders in relation to the re-election of the above retiring Directors.



CHINA EVERBRIGHT INTERNATIONAL LIMITED

中國光大國際有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 257)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Everbright International Limited (the “**Company**”) will be held at Island Ballroom, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 16th May, 2018 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the report of the directors and independent auditor’s report for the year ended 31st December, 2017.
2. To declare a final dividend of HK12.0 cents per share for the year ended 31st December, 2017.
3.
 - (a) To re-elect Mr. Wong Kam Chung, Raymond as an executive director of the Company.
 - (b) To re-elect Mr. Hu Yanguo as an executive director of the Company.
 - (c) To re-elect Mr. Qian Xiaodong as an executive director of the Company.
 - (d) To re-elect Mr. Fan Yan Hok, Philip as an independent non-executive director of the Company.
 - (e) To re-elect Mr. Mar Selwyn (who has served as an independent non-executive director of the Company for more than 9 years) as an independent non-executive director of the Company.
 - (f) To authorize the board of directors of the Company to fix the remuneration of the directors for the year ending 31st December, 2018.
4. To re-appoint Ernst & Young as auditors and to authorize the board of directors of the Company to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

5. To consider as special businesses and, if thought fit, pass the following Ordinary Resolutions:

ORDINARY RESOLUTIONS

- (1) “THAT:
- (A) subject to paragraph (C) of this Resolution, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with shares of the Company (“**Shares**”) and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require Shares to be allotted be and hereby generally and unconditionally approved;
 - (B) the approval in paragraph (A) above shall authorize the Directors during the Relevant Period (as hereinafter defined) to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require Shares to be allotted after the end of the Relevant Period;
 - (C) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (A) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of Shares pursuant to any scrip dividends or similar arrangement providing for allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the total number of issued Shares as at the date of passing this Resolution provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be issued pursuant to the approval in paragraph (A) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(D) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of Shares or issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to the holders of Shares, or any class of Shares, whose name appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such Shares (or, where appropriate, such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

(2) **“THAT:**

- (A) subject to paragraph (B) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back Shares on The Stock Exchange of Hong Kong Limited (“**HKEx**”) or on any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission and HKEx for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on HKEx or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (B) the aggregate number of the Shares to be bought back by the Company pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10 per cent. of the total number of issued Shares as at the date of passing this Resolution provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be bought back pursuant to the approval in paragraph (A) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly; and
- (C) for the purposes of this Resolution,
- “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; or
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
- (3) “**THAT** the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares pursuant to the Ordinary Resolution No.(1) set out in item 5 in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate number of Shares bought back by the Company under the authority granted pursuant to the Ordinary Resolution No.(2) set out in item 5 in the notice convening this meeting, provided that such extended number shall not exceed 10 per cent. of the aggregate number of the issued Shares as at the date of passing the Ordinary Resolution No.(2) set out in item 5 in the notice convening this meeting.”

By Order of the Board
China Everbright International Limited
POON Yuen Ling
Company Secretary

Hong Kong, 29th March, 2018

NOTICE OF ANNUAL GENERAL MEETING

Registered Office:

Room 2703, 27th Floor
Far East Finance Centre
16 Harcourt Road
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and speak and, on a poll, to vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Where there are joint holders of any share in the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for the purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. The register of members of the Company will be closed from Friday, 11th May, 2018 to Wednesday, 16th May, 2018, both days inclusive, on which no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting, all transfer documents must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Thursday, 10th May, 2018.
5. The register of members of the Company will also be closed from Thursday, 24th May, 2018 to Monday, 28th May, 2018, both days inclusive, on which no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Wednesday, 23rd May, 2018.
6. With regard to item 3 in this notice, the board of directors of the Company proposed that the retiring Directors, namely Messrs. Wong Kam Chung, Raymond, Hu Yanguo, Qian Xiaodong, Fan Yan Fok, Philip and Mar Selwyn be re-elected as Directors. Details of these retiring Directors are set out in Appendix II to the circular to shareholders dated 29th March, 2018.