

## **CEL Underlying Fund Invests in Iceland's Arctic Green Energy Corporation – A leading global developer and operator of geothermal heating technology**

26 April 2018 - **China Everbright Limited** ("CEL", stock code: 165.HK) is pleased to announce that it has invested US\$70 million in Arctic Green Energy Corporation ("AGE") through its underlying fund. AGE and a subsidiary of Sinopec Group jointly operate Sinopec Green Energy Geothermal Company Limited ("SGE"), the geothermal heating industry leader in China. The US\$70 million investment is expected to be converted into equity of SGE under suitable conditions in the future. The transaction is CEL's another important investment in the new energy industry, after its investments in the solar and wind energy sectors. CEL will provide professional advisory and value-adds in terms of asset acquisition, restructuring and listing planning.

SGE is the market leader in China's geothermal heating industry in terms of both business size and technology. The company is now the world's largest corporation specializing in centralized geothermal heating company by service area; and masters the technology of geothermal tail-water recharge, enabling the recycling of geothermal resources.

SGE has entered the Xiong County and Rongcheng County, both of which are located within the core area of the Xiong'an New Area, as early as 2009. The company has successfully transformed Xiong County into the nation's model for centralized geothermal heating planning and a "Smokeless City". With the abundant geothermal resources in the Xiong'an New Area, experts expect geothermal heating to play an important role in the region's development. According to the Chinese central government, Xiong'an New Area, similar to the Shenzhen Special Economic Zone and the Shanghai Pudong New District, is of "national significance and crucial for the millennium to come." It is expected that the Xiong'an New Area will eventually expand to 2,000 square kilometers in the long term.

China's environmental pollution and haze problem has yet to be effectively resolved. As a practical and competitive energy solution, centralized geothermal heating is cost-efficient, clean, zero-emission, renewable, abundant, widely distributed and highly stable. It is not affected by external factors such as weather, climate and time, as compared to wind and solar energy. In addition, geothermal resources play a vital role in the management of haze (surrounding areas of

Beijing in particular) and energy structure improvement, and will present a market of solid demand.

“This investment is a landmark project for CEL in China’s clean energy industry. It is key to the management of haze problems and improvement of energy structure in northern China. CEL looks forward to participating in the development of the Xiong’an New Area and capturing the opportunities brought about by the new district. This project is also a great example of CEL’s investment in leading international companies to support their development in China and large-scale industrialization.” says Mr. Henry Tao, Head of Capital Investment & Financing, China Everbright Limited.

“The completion of this financing round is a significant step for Arctic Green Energy. Firstly, we have elevated our financial strength to support the continued growth of the company. Secondly, we are refinancing existing funding structure at improved terms and thirdly, but most importantly, we are welcoming new shareholders that bring a significant strategic value to the firm. CEL will enhance the shareholder base to strengthen our ties with China, and build on this success in other markets. CEL is a global investment firm with strong roots in Asia and will now take part in our mission to create zero emission cities with clean, profitable renewables.” says Haukur Harðarson, Chairman of Arctic Green Energy.

**About China Everbright Limited (“CEL”)**

China Everbright Limited is China Everbright Group’s largest cross-border asset-management and investment platform. By the end of 2017, the asset scale of the 48 domestic and overseas funds managed by CEL exceeded HKD129.1 billion. Through its managed funds and principals, CEL has invested in more than 300 companies in China and around the world respectively. Its investments include real estate, healthcare, new energy, infrastructure, high-tech, high-end manufacturing, fintech, cultural consumption and many other industries. Among them, more than 150 companies have already exited through listings or mergers and acquisitions in China and overseas markets, with outstanding investment performance. For more information about CEL, please visit [www.everbright.com](http://www.everbright.com).

**About Sinopec Green Energy Geothermal Company Limited (“SGE”)**

SGE was established in 2006 as a joint venture between AGE and Sinopec Star Petroleum, a subsidiary of Sinopec Group. Since the establishment of SGE, it has focused on the development of geothermal resources and has established a seasoned business model of “development-construction-operation” with full upstream and downstream coverage and a comprehensive market-oriented approach. The company’s current business covers Hebei, Shaanxi, Shandong, Tianjin, Jiangsu and Zhejiang provinces, with heating area of around 20 million square meters as of the end of 2017.

**About Arctic Green Energy Corporation (“AGE”)**

Iceland’s AGE is a leading global developer and operator of geothermal technology and energy efficiency projects. Its mission is to export Icelandic geothermal and other renewable energy expertise to developing countries in Asia. AGE was established in 2002 and has helped save 5 million tons of CO2 emissions since its establishment.