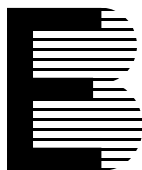


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CHINA EVERBRIGHT LIMITED

中國光大控股有限公司

(Incorporated in Hong Kong with limited liability)

(the “Company”)

(Stock Code: 165)

DISCLOSEABLE TRANSACTION

The Company announces that it has acquired a PGA Note issued by BOCI Financial (as defined below) and has entered into a securities lending agreement with BOCI Financial (as defined below) in respect of the lending and borrowing of 18,000,000 CM Shares. The transactions constitute a discloseable transaction under the Listing Rules.

A circular containing further information on the transactions and other information as prescribed under the Listing Rules will be dispatched to the shareholders of the Company as soon as practicable.

This announcement is made pursuant to Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”) in relation to a discloseable transaction.

The Company, through its wholly owned subsidiary, has acquired a PGA Note issued by BOCI Financial at a total consideration of HK\$693,093,600 and has entered into a securities lending agreement whereby the Company, through another wholly owned subsidiary, will lend 18,000,000 CM Shares held by it to BOCI Financial.

THE TRANSACTIONS

A. Acquisition of the PGA Note the principal terms of which are set out below:

Note Issuer: BOCI Financial

Guarantor: BOCI will guarantee the due performance of obligations under the PGA Note by BOCI Financial.

The directors of the Company (the “**Directors**”) confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, BOCI Financial and BOCI and their respective beneficial owners are independent third parties not connected with the Company, any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules) and are not connected persons of the Company.

Purchase Price: HK\$693,093,600 which has been reached through arm’s length negotiation between the parties by reference to the Reference Share Price.

Reference Share Price: HK\$38.5052 which has been obtained through arms’ length negotiation between the Company and BOCI Financial taking into account the recent share price trading range of CM Shares.

Issue Date: 21 December 2005

Payment arrangement of the Purchase Price The Company will pay the Purchase Price from internal resources by 6 instalments on each of the following Payment Dates. Each instalment may be settled according to the terms of the Purchase Agreement either by (a) delivery of 3,000,000 CM Shares held by the Company or (b) HK\$115,515,600 in cash (equivalent to 1/6 of the Purchase Price), depending on the CM Share price and the Hang Seng Index (“HSI”) on or before the relevant Payment Date. The factors affecting the payment method are set out below:

Ratio of the closing price of the CM Shares recorded by the Stock Exchange two business days prior to the relevant Payment Date compared to the Reference Share Price (“R”)

| | Closing figure of HSI on the relevant Payment Date | Payment Method |
|-----------------|---|-----------------------|
| R > 105% | – | CM Shares |
| 100% < R ≤ 105% | if HSI > 17,288 if HSI ≤ 17,288 | Cash CM Shares |
| 95% < R ≤ 100% | if HSI ≤ 13,530 if HSI > 13,530 | Cash CM Shares |
| R ≤ 95% | – | CM Shares |

The Payment Dates are scheduled as follows:

| | |
|-------------------|------------------|
| 1st Payment Date: | 21 June 2006 |
| 2nd Payment Date: | 21 December 2006 |
| 3rd Payment Date: | 21 June 2007 |
| 4th Payment Date: | 21 December 2007 |
| 5th Payment Date: | 23 June 2008 |
| 6th Payment Date: | 22 December 2008 |

Entitlements of the Company under the PGA Note The Company shall be entitled to receive from BOCI Financial a payment on each of the Payment Dates mentioned above. The payment shall be equal to HK\$115,515,600 x (100% + Performance Bonus) where the Performance Bonus is the higher of i) 0; or ii) 51% x (Average Price/Reference Share Price – 1)

where

Average Price means the average of (a) the Reference Share Price together with (b) the closing price per CM Share as recorded by the Stock Exchange on each Wednesday (if it is not a business day, then the following business day) from the week following the Issue Date to the week immediately preceding the relevant Payment Date.

Financing Charges BOCI Financial shall be entitled to financing charge of 3.65% per annum on the outstanding Purchase Price. The financing charges shall accrue on daily basis from Issue Date to the day immediately preceding each Payment Date. Financing charges shall be paid in arrear by the Company, for each semi-annual period, on each relevant Payment Date.

Expiry Date The earlier of (a) the third anniversary of the Issue Date and (b) the first Payment Date following a market disruption event as described in the PGA Note. On the Expiry Date, all outstanding entitlements of the Company shall be due and receivable and all outstanding Issue Price shall be due and payable, the amounts of which shall be calculated by reference to the Expiry Date.

Pursuant to the entitlements mentioned above, the Company will receive at least HK\$693,093,600 under the PGA Note less the finance costs as stated above.

B. Principal Terms of the Securities Lending Agreement

As part of the arrangements with BOCI Financial, the Company, through its wholly owned subsidiary, has entered in a securities lending agreement in standard general stock lending agreement form with the following main terms:

| | |
|--------------------|--|
| Date of Agreement: | 20 December 2005 |
| Lender: | The Company, through its wholly owned subsidiary |
| Borrower: | BOCI Financial |
| Loaned Shares: | Up to 18,000,000 CM Shares |
| Interest: | The Company shall be entitled to stock lending interest on the market value of the Loaned Shares at rates to be negotiated with BOCI Financial from time to time. The lending interest shall accrue daily, and shall be paid in arrear to the Company on a semi-annual basis. The current interest rate has been agreed at 0.5% per annum. |
| Collateral: | collateral amounting 50% of the value of the Loaned Shares from time to time outstanding. The Collateral will be deposited with the Company in an interest bearing account. |
| Termination: | The agreement may be terminated by either party giving the other not less than 5 days written notice. |

The underlying shares of the Transactions are 18,000,000 CM Shares which have been held by the Company as non-current assets, the total book value of which as at 30 June 2005 was approximately HK\$521 million. Depending on the price movements of the CM Shares and the relative movements of the HSI during the relevant period, there is a possibility that, on complete settlement of the Purchase Price, the Company may completely dispose of the 18,000,000 CM Shares.

DISCLOSEABLE TRANSACTION

According to Chapter 14 of the Listing Rules, the Transactions constitute a discloseable transaction under the Listing Rules as the consideration of the Transactions exceeded 5% of the market capitalization of the Company as of 20 December 2005 calculated pursuant to the Listing Rules.

A circular containing further information on the Transactions and other information as prescribed under Rule 14.17 of the Listing Rules will be dispatched to the shareholders of the Company as soon as practicable.

REASONS FOR THE TRANSACTIONS

The Transactions aim to conserve the shareholders value attributable to the Company's investments in the CM Shares while giving the Company an opportunity to proportionately participate in the upside movement of the CM Share price, if any. Depending on the CM Share price movements, the Company may make a profit equivalent to the Performance Bonus (referred to in paragraph A above) receivable under the PGA Note from time to time.

The receivables under the PGA Note and the liability to pay the Purchase Price will be accounted for in the Group's consolidated balance sheet in form of net asset or net liability. The movements in the fair value of the PGA Note will be recorded through the Group's consolidated profit and loss account. As the Transactions represent only a part of the Company's business, there is no guarantee that a profit will eventually result after the accounts of the Group have been audited in the relevant year.

Having reviewed the Company's strategy in the financial sector in both Hong Kong and China, the Directors are of the view that the Transactions are in the interests of the Company and its shareholders as a whole. The Directors also considers the terms and conditions of the Transactions are fair and reasonable and are on normal commercial terms.

GENERAL INFORMATION

The Company, through its subsidiaries and associates, is principally engaged in the provision of financial services businesses. Such businesses mainly include investment banking, commercial banking, financial services and investment.

Further details of the Transactions will be disclosed in the circular to be despatched by the Company according to the Listing Rules.

Shareholders and investors are reminded to exercise caution in dealing in the securities of the Company.

Made by the Order of the Board of the Company the directors of which individually and jointly accept responsibility for the accuracy of this Announcement.

DEFINITIONS

| | |
|----------------|--|
| BOCI | BOC International Holdings Limited, a company incorporated in Hong Kong engaging in the provision of financial services; including investment banking, equity sales and trading, asset management and private equity management; |
| BOCI Financial | BOCI Financial Products Limited, a wholly-owned subsidiary of BOCI; |
| CM Shares | Ordinary Shares of par value HK Dollars 0.10 each of China Mobile (Hong Kong) Limited, the shares of which are listed on the Stock Exchange with stock code 0941; |
| PGA Note | The principal guaranteed note issued by BOCI Financial and guaranteed by BOCI, the main terms of which are set out above; |
| Listing Rules | Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| Stock Exchange | The Stock Exchange of Hong Kong Limited; |
| Transactions | The acquisition of the PGA Note by the Company and the entering into of the Stock Lending Agreement by the Company mentioned above. |

By Order of the Board
Ip Kun Wan, Kiril
Company Secretary

Hong Kong, 22 December 2005

As at the date of this announcement, the Directors of the Company are:-

Executive Directors

Mr. Wang Mingquan (*Chairman*)
Mr. Guo You
Dr. Zhou Liqun
Ms. He Ling
Mr. Chen Shuang
Mr. Xu Haoming

Independent Non-executive Directors

Mr. Ng Ming Wah, Charles
Mr. Tung Wai, David
Mr. Seto Gin Chung, John
Dr. Lin Zhijun

“Please also refer to the published version of this announcement in The Standard.”