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## **CHINA EVERBRIGHT INTERNATIONAL LIMITED**

**中國光大國際有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code : 257)**

### **APPROVAL OF THE PROPOSED SPIN-OFF**

This announcement is made pursuant to Practice Note 15 of the Listing Rules.

The Board is pleased to announce that on 20 October 2014, the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off of CEWIL on the SGX-ST pursuant to the Sale and Purchase Agreement. The Listing Committee of the Stock Exchange has also granted a waiver to the Company from strict compliance with the requirement to provide assured entitlement to the Shareholders under paragraph 3(f) of Practice Note 15 of the Listing Rules on 17 October 2014.

Reference is made to the announcement of the Company dated 2 June 2014 regarding a discloseable transaction of the Company (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement, unless the context requires otherwise.

As disclosed in the Announcement, on 2 June 2014, CEWHL (a wholly-owned subsidiary of the Company) as vendor and HanKore as purchaser entered into the Sale and Purchase Agreement in respect of the proposed disposal by CEWHL of the entire issued share capital of CEWIL to HanKore in return for issuance of Consideration Shares by HanKore (the “**Transaction**”).

Since the Transaction, if materialised, will result in the disposal of the entire issued share capital of an indirect subsidiary of the Company to HanKore, which is a company listed on the SGX-ST, the Transaction constitutes a spin-off under Practice Note 15 of the Listing Rules (the “**Proposed Spin-off**”).

The proposal in relation to the Proposed Spin-off was submitted by the Company to the Stock Exchange on 20 June 2014 for its consideration and approval pursuant to Practice Note 15 of the Listing Rules. The Board is pleased to announce that on 20 October 2014, the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

The Company has also applied for, and the Listing Committee of the Stock Exchange has granted to the Company on 17 October 2014, a waiver from strict compliance with paragraph 3(f) of Practice Note 15.

Under paragraph 3(f) of Practice Note 15, the Company is expected to give due regard to the interests of the existing shareholders of the Company (the “**Shareholders**”) by providing the Shareholders with assured entitlement to shares in HanKore either by way of a distribution in specie of existing shares in HanKore or by way of preferred application in any offering of shares in HanKore, if the Proposed Spin-off is materialised. After due and careful consideration of the interests of the Shareholders in the context of the Transaction, the Board has resolved not to provide such assured entitlement to the Shareholders under the Proposed Spin-off based on, amongst others, the following principal reasons:

- (a) other than the issuance of Consideration Shares to CEWHL, there will be no issue of new shares in HanKore or CEWIL under the Transaction and there is no avenue for existing Shareholders to be granted any preferential rights to apply for the subscription of shares in HanKore or CEWIL pursuant to the Transaction;
- (b) pursuant to the requirements of the SGX-ST Listing Manual, the Company is required to observe a moratorium on the transfer or disposal of its interest in the securities of HanKore for at least six months after Completion, and therefore would not be able to distribute its shares in HanKore to its existing shareholders for a period of six months after Completion;
- (c) providing assured entitlement after the end of the moratorium period six months after Completion would create downward pressure on the Company’s share price and subject Shareholders to uncertainty and share price volatility, which would be prejudicial to the interests of existing Shareholders; and
- (d) there is no clear corporate benefit to HanKore for it to conduct a preferential offering to the existing Shareholders and any such offering is subject to legal impediments under the SGX-ST Listing Manual.

By Order of the Board  
**China Everbright International Limited**  
**Chen Xiaoping**  
*Chief Executive Officer*

Hong Kong, 11 November 2014

*As at the date of this announcement, the Board comprises: (i) six executive directors, namely Mr. Tang Shuangning (Chairman), Mr. Liu Jun (Vice-chairman), Mr. Chen Xiaoping (Chief Executive Officer), Mr. Wang Tianyi, Mr. Raymond Wong Kam Chung and Mr. Cai Shuguang; and (ii) four independent non-executive directors, namely Mr. Philip Fan Yan Hok, Mr. Selwyn Mar, Mr. Aubrey Li Kwok Sing and Mr. Zhai Haitao.*