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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)

**FRAMEWORK AGREEMENT
IN RELATION TO A PROPOSED TRANSACTION**

Reference is made to the announcement of the Company dated 27 December 2013. This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board is pleased to announce that on 30 December 2013, the Vendor (a wholly-owned subsidiary of the Company) entered into the Framework Agreement with HanKore, pursuant to which the Vendor and the Company proposed to inject all their investments in the environmental water sector into HanKore and in return HanKore agreed to allot and issue certain Consideration Shares to the Vendor, subject to, amongst other things, due diligence being conducted and the execution of definitive agreements. Upon completion of the Proposed Transaction and/or other subsequent subscription of new shares in the capital of HanKore by the Vendor, the Vendor will hold more than 50% of the enlarged share capital of HanKore and HanKore will become a subsidiary of the Company.

The Board wishes to emphasise that no definitive agreement in relation to the Proposed Transaction has been entered into by the Group as at the date of this announcement and the Proposed Transaction may or may not proceed. If the Proposed Transaction materialises, it may constitute a notifiable transaction for the Company pursuant to Chapter 14 of the Listing Rules and subject to announcement and/or shareholders' approval requirements. Further announcement in respect of the Proposed Transaction will be made by the Company in the event that any definitive agreement is signed.

Shareholders and the potential investors of the Company are urged to exercise caution when dealing in the shares of the Company.

Reference is made to the announcement of the Company dated 27 December 2013. This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

PROPOSED TRANSACTION

The Board is pleased to announce that on 30 December 2013, the Vendor entered into the Framework Agreement with HanKore, particulars of which are set out below:

Date:

30 December 2013

Parties:

- (a) the Vendor
- (b) HanKore

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, HanKore and its single largest shareholder (which holds approximately 16.5% of the total issued share capital of HanKore) are third parties independent and not connected persons (as defined in the Listing Rules) of the Company.

Subject matter:

Pursuant to the Framework Agreement, the Vendor and the Company proposed to inject the Investments (subject to obtaining all relevant regulatory and third party approvals, waivers and consents) into HanKore and in return HanKore has agreed to allot and issue certain Consideration Shares to the Vendor, subject to, amongst other things, due diligence being conducted and the execution of definitive agreements.

If the value of the Investments would result in the Vendor holding 50% or less of the enlarged share capital of HanKore upon completion of the Proposed Transaction, the Vendor may inject more assets and/or cash to subscribe for new shares in the capital of HanKore so that the Vendor will hold more than 50% of the enlarged share capital of HanKore upon completion of the Proposed Transaction. Upon completion of the Proposed Transaction and/or such subscription of new shares in the capital of HanKore by the Vendor, HanKore will become a subsidiary of the Company.

Consideration:

The Vendor and HanKore will discuss and agree on the Investments to be acquired. The valuation of the Investments will be determined by two independent valuers to be appointed by the Vendor and HanKore, respectively. The consideration for the Proposed Transaction will be based on the net asset value of the Investments (subject to any adjustment mechanism to be agreed between the parties), which will be satisfied by the allotment and issue of Consideration Shares to the Vendor or its nominee(s). The Consideration Shares will be allotted and issued to the Vendor at S\$0.0703 per Consideration Share, being the per share volume weighted average price of the shares of HanKore on the SGX-ST for the preceding 90 trading days on the SGX-ST ending on the date of the Framework Agreement.

HanKore's undertaking:

HanKore has agreed to deliver to the Vendor, within seven days from the date of the Framework Agreement, undertakings duly executed by certain existing shareholders of HanKore holding in aggregate not less than 21% of the share capital of HanKore not to dispose or otherwise deal with any shares of HanKore on or before the completion of the Proposed Transaction.

Exclusivity:

HanKore covenants that none of it or any of its subsidiaries (subject to their fiduciary duties) or senior management shall, during the period commencing on the date of the Framework Agreement and ending on the date falling 120 days thereafter (the "**Exclusivity Period**"), directly or indirectly, (a) communicate with or provide any information in its or their possession to or otherwise assist any person or entity (a "**Competing Party**") with respect to the development of any proposal for a transaction or any other form of investment in, or business combination with, any member of the Target Group that may compete with the transactions contemplated hereunder (including without limitation, any proposal for the acquisition of the whole or part of the issued share capital of HanKore or for the whole or any part of the undertaking, business or assets of HanKore or any of its subsidiaries or any proposal involving a scheme of arrangement, reorganisation or re-capitalisation of HanKore or any of its subsidiaries) (a "**Competing Proposal**"), or (b) solicit or encourage the submission of any Competing Proposal from any Competing Party, or (c) enter into or continue with any discussions, negotiations or arrangements or execute any agreement (whether conditional or unconditional) related to any of the foregoing, or (d) dispose of, or enter into any agreement (whether conditional or unconditional) to dispose of or otherwise create any options, interests, encumbrances or other rights in respect of any of the shares of any member of the Target Group or dispose of, or enter into any agreement (whether conditional or unconditional) to dispose of or otherwise create any options, interests,

encumbrances or other rights over any shares in any member of the Target Group. Subject to applicable fiduciary duties and confidentiality obligations, HanKore agrees to notify the Vendor promptly of any inquiries or approaches by any third parties in regards to the foregoing.

The Vendor also covenants that during the Exclusivity Period, it shall not inject, or enter into any agreement or arrangement to inject, the Investments or any part thereof, into any other company listed on any stock exchange in exchange for the shares of such company in the same manner as contemplated under the Framework Agreement.

GENERAL INFORMATION

The Group is principally engaged in the business of environmental protection project investment, construction, operation and management in the PRC.

The Target Group is principally engaged in the business of investing and operating in the water environment sector in the PRC.

The Vendor and HanKore will carry out due diligence on the financial, operating, legal, compliance and business condition of the Investments and the Target Group, as the case may be, subject to applicable securities laws after signing of the Framework Agreement. Subject to the results of the aforesaid due diligence being satisfactory to the Vendor and HanKore, the parties will, based on the major terms set out in the Framework Agreement, negotiate, finalise and enter into definitive agreements with respect to the Proposed Transaction. Completion of the Proposed Transaction will be subject to, among other things, applicable regulatory compliance (including but not limited to a waiver of the Vendor's obligation to make a mandatory general offer under Rule 14 of The Singapore Code on Take-overs and Mergers from the Singapore Securities Industry Council) and approval by shareholders of the Company and/or HanKore (if applicable).

The Board wishes to emphasise that no definitive agreement in relation to the Proposed Transaction has been entered into by the Group as at the date of this announcement and the Proposed Transaction may or may not proceed. If the Proposed Transaction materialises, it may constitute a notifiable transaction for the Company pursuant to Chapter 14 of the Listing Rules and subject to announcement and/or shareholders' approval requirements. Further announcement in respect of the Proposed Transaction will be made by the Company in the event that any definitive agreement is signed.

Shareholders and the potential investors of the Company are urged to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Asset Injection”	the proposed transfer of the Investments into HanKore by the Group
“Board”	the board of Directors
“Company”	China Everbright International Limited (中國光大國際有限公司), a company incorporated under the laws of Hong Kong, the shares of which are listed on the Stock Exchange
“Consideration Shares”	certain shares of HK\$0.10 each of HanKore
“Director(s)”	the directors of the Company
“Framework Agreement”	the framework agreement dated 30 December 2013 entered into between the Vendor and HanKore setting out the preliminary terms in relation to the Proposed Transaction
“Group”	the Company and its subsidiaries
“HanKore”	HanKore Environment Tech Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the SGX-ST
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investments”	all of the investments of the Vendor and the Company in the environmental water sector
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China
“Proposed Transaction”	the Asset Injection and the subscription of the Consideration Shares by the Vendor as contemplated under the Framework Agreement
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	HanKore and its subsidiaries
“Vendor”	China Everbright Water Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

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

Hong Kong, 30 December 2013

As at the date of this announcement, the Board comprises: (i) six executive directors, namely Mr. Tang Shuangning (Chairman), Mr. Zang Qiutao (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.