

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



CHINA EVERBRIGHT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 165)

DISCLOSEABLE TRANSACTION DISPOSAL OF 9.34% OF THE EQUITY INTEREST IN CHINA UNIONPAY MERCHANT SERVICES CO., LTD.*

On 30 September 2016, the Vendor (an indirect wholly owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Equity Interest, representing 9.34% of the equity interest in the Target Company, at a consideration of RMB1,829,918,660 (equivalent to approximately HK\$2,122,705,646).

As at the date of this announcement, the Company, through the Vendor, is interested in 9.34% of the equity interest in the Target Company. Immediately upon completion of the Disposal, the Company will cease to hold any equity interest in the Target Company.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 30 September 2016, the Vendor (an indirect wholly owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Equity Interest, representing 9.34% of the equity interest in the Target Company, at a consideration of RMB1,829,918,660 (equivalent to approximately HK\$2,122,705,646).

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

Date

30 September 2016

Parties

- (1) 深圳市光控投資諮詢有限公司 (Shenzhen Everbright Investment Consultancy Company Limited*) (an indirect wholly owned subsidiary of the Company, as the Vendor)
- (2) 光際諮詢（北京）有限公司 (Guangji Consultancy (Beijing) Company Limited*) (as the Purchaser)

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Equity Interest, representing 9.34% of the equity interest in the Target Company.

Consideration and payment

The aggregate consideration for the Disposal payable by the Purchaser to the Vendor is RMB1,829,918,660 (equivalent to approximately HK\$2,122,705,646), of which:

- (1) 20% of the consideration, being RMB365,983,732 (equivalent to approximately HK\$424,541,129) shall be payable to the Vendor in cash within 10 Business Days from the date of the Sale and Purchase Agreement; and
- (2) 80% of the consideration, being RMB1,463,934,928 (equivalent to approximately HK\$1,698,164,516) shall be payable to the Vendor in cash within 15 Business Days after issuance of the new business licence of the Target Company by the relevant administrative authority for industry and commerce in the PRC.

The consideration payable by the Purchaser under the Sale and Purchase Agreement was arrived at after arm's length negotiations between the Purchaser and the Vendor, taking into account, among other things, recent transaction price of the equity interest in the Target Company.

Condition precedent and completion of the Disposal

Pursuant to the Sale and Purchase Agreement, completion of the Disposal is conditional upon the Company having completed all relevant internal approval procedures in respect of the Disposal.

As soon as possible after the execution of the Sale and Purchase Agreement, the Vendor shall procure the Target Company to complete the relevant registration procedures with the relevant administrative authority for industry and commerce in the PRC and to obtain the new business licence of the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established under the laws of the PRC with limited liability. The Target Company is principally engaged in the provision of bank cards payment

services, and it also provides bank card swiping, online payment, and stored value card acceptance services.

Based on the audited consolidated financial statement of the Target Company prepared in accordance with the generally accepted accounting principles in the PRC, the financial information of the Target Company for the two years ended 31 December 2015 is as follows:

	For the year ended	
	31 December	
	2014	2015
	(audited)	(audited)
	<i>(RMB)</i>	
Profit before taxation and extraordinary items	496,236,697	641,711,998
Profit after taxation and extraordinary items	455,900,484	604,767,527

The audited net asset value and the audited total asset value of the Target Company as at 31 December 2015 was approximately RMB3,095 million and RMB21,568 million, respectively.

As at the date of this announcement, the Company, through the Vendor, is interested in 9.34% of the equity interest in the Target Company. Immediately upon completion of the Disposal, the Company will cease to hold any equity interest in the Target Company.

FINANCIAL EFFECTS OF THE DISPOSAL

It is estimated that the Group will recognize a gain before taxation attributable to the Company's shareholders of approximately HK\$634 million from the Disposal, which is calculated based on the consideration for the Disposal attributable to the Group and the investment cost of the Target Company recorded in the Group's consolidated financial statements.

The Company intends to use the net proceeds (after deducting relevant costs and expenses in connection with the Disposal) for general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal provides a good opportunity for the Group to realise its interest in the Target Company which is a non-core asset at a gain. Through the Disposal, the Group can also optimise its investment portfolio with specific focuses being placed on fund management and investment businesses in order to maximise returns to the Group.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, and the Disposal is in the interest of the Company and the shareholders of the Company as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

Information on the Group

The Company, through its subsidiaries and associates, is principally engaged in the provision of financial services and persistently pursues the cross-border macro asset management strategy, with specific focuses on fund management and investment business, namely, primary market investment, secondary market investment, structured financing and investment, and aircraft leasing.

Information on the Vendor

The Vendor is a company incorporated under the laws of the PRC with limited liability and is an indirect wholly owned subsidiary of the Company. The Vendor is principally engaged in provision of consultancy services.

Information on the Purchaser

The Purchaser is a company established under the laws of the PRC and is principally engaged in investment holding.

The Purchaser is owned by the Investment Fund as to 99.99999% and a wholly owned subsidiary of the Company as to 0.00001%. As disclosed in the announcement of the Company dated 29 June 2016, (i) a wholly-owned subsidiary of the Company is a general partner of the Investment Fund and (ii) a wholly-owned subsidiary of the Company is a limited partner of the Investment Fund. The Investment Fund is not a subsidiary of the Company (as defined under the Listing Rules).

Save as aforementioned, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or statutory holiday in the PRC or Hong Kong)
“Company”	China Everbright Limited (中國光大控股有限公司), a company incorporated under the laws of Hong Kong with limited liability and whose shares are listed on the Stock Exchange

“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Equity Interest by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Equity Interest”	9.34% of the equity interest in the Target Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Investment Fund”	愛奇光控股權投資基金（上海） 合夥企業（有限合夥） (formerly known as “愛奇光石股權投資基金（上海） 合夥企業（有限合夥）”) (AiQi Everbright Equity Investment Fund (Shanghai) LLP*), a limited partnership established under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Purchaser”	光際諮詢（北京）有限公司 (Guangji Consultancy (Beijing) Company Limited*), a company established under the laws of the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 September 2016 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	銀聯商務有限公司 (China Unionpay Merchant Services Co., Ltd.*), a company established under the laws of the PRC with limited liability
“Vendor”	深圳市光控投資諮詢有限公司 (Shenzhen Everbright Investment Consultancy Company

Limited*), a company established under the laws of the PRC with limited liability and an indirect wholly owned subsidiary of the Company

“%”

per cent

By order of the Board
Chan Ming Kin Desmond
Company Secretary
China Everbright Limited

Hong Kong, 30 September 2016.

For the purpose of this announcement, translations of RMB into HK\$ or vice versa have been calculated by using an exchange rate of RMB1.00 equal to HK\$1.16. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

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

Executive Directors

Mr. Tang Shuangning (Chairman)
Dr. Liu Jun (Deputy Chairman)
Mr. Chen Shuang (Chief Executive Officer)
Mr. Tang Chi Chun, Richard

Independent Non-executive Directors

Mr. Seto Gin Chung, John
Dr. Lin Zhijun
Dr. Chung Shui Ming, Timpson

Non-executive Director

Mr. Wang Weimin

** For identification purposes only*