

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in EverChina Int'l Holdings Company Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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## **EVERCHINA INT'L HOLDINGS COMPANY LIMITED**

**潤中國國際控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 202)**

### **MAJOR AND CONNECTED TRANSACTION AND NOTICE OF GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



**Gram Capital Limited**

**嘉林資本有限公司**

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A letter from the board of directors of EverChina Int'l Holdings Company Limited is set out on pages 4 to 14 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 15 to 16 of this circular. A letter from Gram Capital containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 24 of this circular.

A notice convening the general meeting of the Company to be held at 15/F, CCB Tower, 3 Connaught Road Central, Hong Kong on Friday, 11 March 2016 at 10:30 a.m. is set out on pages 39 to 40 of this circular. A form of proxy for use at the general meeting of the Company is enclosed with this circular.

Whether or not you are able to attend the general meeting of the Company, you are requested to complete the accompanying form of proxy in accordance with instructions printed thereon and return it to the share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time for holding the general meeting of the Company or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the general meeting of the Company or any adjournment thereof should you so wish.

19 February 2016

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meaning:*

“Acquisition”	the acquisition of the Properties by the Group pursuant to the terms and conditions of the Purchase Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Business Day”	a day (other than a Saturday or any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	EverChina Int’l Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration of RMB616,000,000 (equivalent to approximately HK\$733,333,000)
“Director(s)”	the director(s) of the Company
“GM”	the general meeting of the Company to be held at 15/F, CCB Tower, 3 Connaught Road Central, Hong Kong on Friday, 11 March 2016 at 10:30 a.m. and, if thought fit, to approve the Purchase Agreement and the transactions contemplated thereunder
“Gram Capital” or “Independent Financial Advisor”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Purchase Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement to be entered into between the WFOE and the Vendor

## DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors established to provide recommendation to the Independent Shareholders in relation to the Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than Mr. Jiang and his associates
“Latest Practicable Date”	15 February 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Leasing Agent”	沃華商業管理(上海)有限公司 (Wo Hua Commercial Management (Shanghai) Company Limited*), a company established under the laws of the PRC
“Leasing Agreement”	the leasing agreement to be entered into between the WFOE and the Leasing Agent in relation to the provision of the leasing agency services
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Management Agreement”	the management agreement to be entered into between the WFOE and the Management Company for the provision of management services in relation to the Properties
“Management Company”	上海春川物業服務有限公司 (Shanghai Chun Chuan Property Service Company Limited*), a company established under the laws of the PRC
“Mr. Jiang”	Mr. Jiang Zhaobai, an executive Director and the chairman of the Company
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Properties”	a total of 14 retail units located at Above the Bund Square (白金灣廣場), No. 948 Dongdaming Road, Hongkou District, Shanghai, the PRC

## DEFINITIONS

“Purchase Agreement”	the sale and purchase agreement dated 24 December 2015 entered into between the Company and the Vendor in relation to the Acquisition
“Rental Income”	has the meaning as set out under the paragraph headed “Rental Income Guarantee” in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Penalty”	penalty calculated at 5% of the Consideration
“Vendor”	上海萊因思置業有限公司 (Shanghai Lai Yin Si Zhiye Company Limited*), a company established under the laws of the PRC
“WFOE”	a wholly foreign-owned enterprise to be established by the Group in the PRC for the purpose of holding the Properties and for the purpose of entering into the Leasing Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi
“sq.m.”	square metre
“%”	per cent.

*For the purpose of this circular, all amounts denominated in RMB have been translated (for information only) into HK\$ using the exchange rate of RMB1 : HK\$1.19. No representation is made that any amounts in RMB or HK\$ can be or could have been converted at the relevant dates at the above rate or any other rates at all.*

*If there is any inconsistency between the Chinese names of the PRC entities mentioned in this circular and their English translations, the Chinese names shall prevail.*

\* for identification purpose only



**EVERCHINA INT'L HOLDINGS COMPANY LIMITED**

**潤中國際控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 202)**

*Executive Directors:*

Mr. Jiang Zhaobai (*Chairman*)  
Mr. Shen Angang  
Mr. Lam Cheung Shing, Richard  
Mr. Chen Yi, Ethan

*Registered office:*

15th Floor  
CCB Tower  
3 Connaught Road Central  
Hong Kong

*Independent non-executive Directors:*

Mr. Ho Yiu Yue, Louis  
Mr. Ko Ming Tung, Edward  
Professor Shan Zhemin

19 February 2016

*To the Shareholders*

Dear Sirs or Madam,

**MAJOR AND CONNECTED TRANSACTION  
AND  
NOTICE OF GENERAL MEETING**

**INTRODUCTION**

The Company announced that on 24 December 2015, it has entered into the Purchase Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell and the Group has conditionally agreed to acquire the Properties at an aggregate consideration of RMB616,000,000 (equivalent to approximately HK\$733,333,000).

As one of the applicable percentage ratios in respect of the Acquisition exceeds 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules which is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, the Vendor is the owner/developer of the Properties which is owned as to 99% by Mr. Jiang, an executive Director and the chairman of the Company, and 1% by Mr. Jiang Lei, the brother of Mr. Jiang. The Vendor is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the

## LETTER FROM THE BOARD

Acquisition constitutes a connected transaction of the Company which is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The purpose of this circular is to provide you with further details of the Purchase Agreement and the transactions contemplated thereunder and the notice of the GM.

### THE PURCHASE AGREEMENT

#### Date

24 December 2015 (after trading hours of the Stock Exchange)

#### Parties

Vendor : 上海萊因思置業有限公司 (Shanghai Lai Yin Si Zhiye Company Limited\*)

The Vendor is owned (i) as to 99% by Mr. Jiang, an executive Director and the chairman of the Company; and (ii) as to 1% by Mr. Jiang Lei, the brother of Mr. Jiang. The Vendor is therefore regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

Purchaser : the Company

#### Assets to be acquired

The Properties, being 14 retail units located at Levels 1–3 of Above the Bund Square, No. 948 Dongdaming Road, Hongkou District, Shanghai, the PRC with total area of 8,585.79 sq.m. Above the Bund Square is a 17-storey commercial building, of which Levels 1–3 is designated for retail use and Levels 4–17 is designated for office use. It is located in a prime area on the north of the Bund (外灘), Shanghai, the PRC, close to the shipping commercial zone (航運商貿區) and the modern commercial zone (現代商貿區) of Shanghai, the PRC. It is approximately 5.1 kilometres to People's Square (Shanghai) (人民廣場), approximately 9.1 kilometres to the commercial area of Jingan District (靜安區商圈), approximately 5.4 kilometres to Lujiazui (陸家嘴) and approximately 11.7 kilometres to Xujiahui (徐家匯). As at the Latest Practicable Date, all 14 retail units comprising the Properties were vacant.

According to the Vendor, the original development cost of the Properties (including the land cost) to the Vendor amounted to approximately RMB497,200,600 (equivalent to approximately HK\$591,905,000), representing approximately RMB57,910 (equivalent to approximately HK\$68,940) per sq.m.

## LETTER FROM THE BOARD

### The Consideration

The Consideration is RMB616,000,000 (equivalent to approximately HK\$733,333,000). The Consideration will be satisfied in cash as follows:

- (a) as to RMB184,800,000 (equivalent to approximately HK\$220,000,000) payable within 10 working days upon signing of the Purchase Agreement (the “**Deposit**”);
- (b) as to RMB369,600,000 (equivalent to approximately HK\$440,000,000) payable within 10 working days upon fulfilment of the following conditions:
  - (1) the establishment of the WFOE having been completed;
  - (2) the Vendor and the WFOE having entered into the sale agreement (上海市商品房出售合同) and the registration of the sale of the Properties having been completed;
  - (3) the passing of the necessary resolution(s) by the Shareholders (other than those who are required to abstain from voting under the Listing Rules) at the general meeting of the Company to approve the Purchase Agreement and the transactions contemplated thereunder;
  - (4) all obligations on the part of the Vendor under the Purchase Agreement having been performed and there being no breach of the warranties given by the Vendor in the Purchase Agreement and such warranties having remained true and accurate and not misleading in all material respects;
  - (5) the Company having received a legal opinion issued by the PRC legal advisers in the form and substance to the satisfaction of the Company;
  - (6) there being no encumbrances on the Properties and its land use right; and
  - (7) the delivery of the Properties by the Vendor to the WFOE.
- (c) as to the balance of RMB61,600,000 (equivalent to approximately HK\$73,333,000) payable within 10 working days upon the WFOE having been registered as owner of the Properties.

As at the Latest Practicable Date, the Deposit had been paid by the Group to the Vendor. As at the Latest Practicable Date, none of the conditions precedent specified above had been fulfilled.

In the event the conditions precedent set out in paragraph (b)(1) to (6) above are not satisfied on or before 31 March 2016 or such other date as the Vendor and the Company may agree in writing, the Company shall have the right to terminate the Purchase Agreement. Within 5 working days upon receiving the written termination notice from the Company, the Vendor shall refund any Consideration paid by the Group under the Purchase Agreement together with interest to the Group.



## LETTER FROM THE BOARD

The Consideration was determined after arm's length negotiations between the Company and the Vendor and by reference to the valuation of the Properties at RMB685,000,000 (equivalent to approximately HK\$815,476,000) as at 11 December 2015. Such valuation was assessed by Savills Valuation and Professional Services Limited, a firm of independent professional valuers, adopting the market approach. The Consideration will be substantially financed by the internal resources of the Group and partially by way of borrowings, if necessary.

The Board (including the independent non-executive Directors) is of the view that the terms of the Purchase Agreement (including the Consideration) is fair and reasonable.

### Delivery

Delivery of the Properties is subject to the following conditions (the “**Delivery Conditions**”):

- (a) the Vendor having received 建設工程竣工驗收備案表 (Construction Completion Acceptance Certificate\*) and 大產證 (Real Estate Title Certificate\*) and the Properties complied with the delivery standard as set out in the Purchase Agreement;
- (b) all obligations on the part of the Vendor under the Purchase Agreement having been performed and there being no breach of the warranties given by the Vendor in the Purchase Agreement and such warranties having remained true and accurate and not misleading in all material respects;
- (c) the Vendor having obtained all necessary consents, permits, registrations, records and licences for delivery of the Properties in accordance with the applicable laws;
- (d) the Leasing Agent having entered into the Leasing Agreement; and
- (e) the Vendor having entered into the Guarantee Agreement.

Delivery of the Properties shall take place upon fulfilment of the Delivery Conditions set out above and the Group being satisfied with the inspection results of the Properties.

In the event there being any fundamental defects of the Properties leading to any actual breach of the Delivery Conditions, the Company shall have the right to terminate the Purchase Agreement. Within 5 working days upon receiving the written termination notice from the Company, the Vendor shall refund any Consideration paid by the Group under the Purchase Agreement together with interest and pay the Termination Penalty to the Group.

If the Delivery Conditions are not satisfied or the Vendor fails to deliver the Properties to the Group on or before 30 April 2016 or such other date as the Vendor and the Company may agree in writing, the Company shall have the right to terminate the Purchase Agreement. Within 5 working days upon receiving the written termination notice from the Company, the Vendor shall refund any Consideration paid by the Group under the Purchase Agreement together with interest and pay the Termination Penalty to the Group.

## LETTER FROM THE BOARD

### **Property ownership certificates**

Under the Purchase Agreement, the Vendor shall assist the Group in obtaining the new ownership certificates in relation to the Properties. According to the Vendor, the general procedures for purchase of the Properties are set out as follows:

- (1) signing of the Purchase Agreement between the Vendor and the Company;
- (2) passing of the necessary resolutions by the Shareholders (other than those who are required to abstain from voting under the Listing Rules) at the general meeting of the Company to approve the Purchase Agreement and the transactions contemplated thereunder;
- (3) signing of the sale agreement between the Vendor and the Group and notarisation of the sale agreement;
- (4) release of the existing pledge on the Properties and application for the deregistration of the pledge with the real estate trading centre by the Vendor;
- (5) delivering the Properties by the Vendor to the Group;
- (6) submitting application for the new ownership certificates with the real estate trading centre;
- (7) confirming acceptance of the application by the real estate trading centre; and
- (8) issue of the new ownership certificates by the real estate trading centre.

Pursuant to the Purchase Agreement, if the Group fails to obtain the new ownership certificates on or before 31 July 2016 or such other date as the Vendor and the Company may agree in writing, the Company shall have the right to terminate the Purchase Agreement. Within 5 working days upon receiving the written termination notice from the Company, the Vendor shall refund any Consideration paid by the Group under the Purchase Agreement together with interest and pay the Termination Penalty to the Group. If the Group fails to obtain the new ownership certificates on or before 31 July 2016 or such other date as the Vendor and the Company may agree in writing due to force majeure, either party to the Purchase Agreement shall have the right to terminate the Purchase Agreement. Within 5 working days upon receiving the written termination notice from the Company, the Vendor shall refund any Consideration paid by the Group under the Purchase Agreement together with interest while the Group shall return the Properties to the Vendor.

### **THE LEASING AGREEMENT**

Pursuant to the Purchase Agreement, the WFOE shall enter into the Leasing Agreement with the Leasing Agent, being 沃華商業管理(上海)有限公司 (Wo Hua Commercial Management (Shanghai) Company Limited\*), a company which is indirectly owned as to 99%

## LETTER FROM THE BOARD

by Mr. Jiang and as to 1% by Mr. Jiang Lei, the brother of Mr. Jiang. The Leasing Agent shall provide leasing agency services to the WFOE for a term of three years, commencing from the date on which the Group has obtained the new ownership certificates of the Properties.

### **Services to be provided**

During the term of the Leasing Agreement, the Leasing Agent shall (i) introduce and negotiate with the tenants of the Properties; (ii) collect rental income from the tenants; and (iii) establish a team to market and operate the Properties.

### **Service fee**

An agency fee representing 1% of the monthly rental of the Properties is payable to the Leasing Agent. The total service fee which includes agency fee and marketing fee payable by the Group to the Leasing Agent under the Leasing Agreement shall not exceed RMB1,800,000 (equivalent to approximately HK\$2,143,000) per annum.

According to the Leasing Agent and prevailing market practice, the current agency fee charged by the Leasing Agent is approximately 5% of the rental income (excluding the marketing expenses) to existing independent landlords. Taking into account the Properties that are currently vacant, the Group and the Leasing Agent considered that marketing will be made through different marketing channels and/or appointment of marketing agency, if necessary. As a result, the initial marketing expenses for promoting the Properties will be significant which is estimated to be more than RMB3 million. The Group estimates that the marketing cost will be significant in the initial operating period and will reduce gradually when most of the Properties have been rented out. After arm's length negotiations between the Group and the Leasing Agent, the Leasing Agent is willing to bear the major part of the initial marketing expenses in order to lower the operating cost of the Group and has agreed on a maximum cap of RMB1,800,000 per annum.

Based on 1% of the minimum annual rental income of RMB21.56 million guaranteed by the Leasing Agent, the agency fee payable under the Leasing Agreement will be RMB215,600. The marketing fee, which is estimated to be approximately RMB1,584,000, (being the maximum amount of service fee payable under the Leasing Agreement per annum (i.e. not exceeding RMB1,800,000) less the agency fee of RMB215,600), represents approximately a 50% discount to the estimated amount of RMB3 million. The Group will enjoy an agency fee that is lower than other existing independent landlords during the term of Leasing Agreement, and the marketing costs to be incurred and borne by the Group can also be lowered.

Based on the above, the Company considers that the service fee payable under the Leasing Agreement is fair and reasonable and on better commercial terms to the Group.

## **LETTER FROM THE BOARD**

### **Rental Income Guarantee**

The Leasing Agent guarantees that the annual rental income received by the WFOE generated from the Properties minus any fees or tax relating to the Properties payable to the Leasing Agent (the “**Rental Income**”) for each year during the term shall not be less than 3.5% of the Consideration. In the event that the Rental Income is less than 3.5% of the Consideration, the Leasing Agent shall pay the WFOE the shortfall on a dollar-for-dollar basis.

### **THE GUARANTEE AGREEMENT**

Pursuant to the Purchase Agreement, the WFOE shall enter into the Guarantee Agreement with the Vendor, pursuant to which in the event that the Rental Income for any year during the term of the Leasing Agreement is less than 3.5% of the Consideration and the Leasing Agent fails to pay the shortfall to the WFOE under the Leasing Agreement, the Vendor agrees to pay the WFOE the shortfall on a dollar-for-dollar basis within 5 days after the amount of Rental Income has been determined in accordance with the terms of the Purchase Agreement.

### **THE MANAGEMENT AGREEMENT**

Upon completion of the Acquisition, the WFOE shall enter into the Management Agreement with the Management Company, being 上海春川物業服務有限公司 (Shanghai Chun Chuan Property Service Company Limited\*), a company which is owned as to 99% by Mr. Jiang and as to 1% by Mr. Jiang Lei, the brother of Mr. Jiang.

### **Services to be provided**

The Management Company shall provide management services in relation to the Properties to the WFOE for a term of three years, commencing from the date on which the Group has obtained the new ownership certificates of the Properties.

### **Management fee**

A management fee of RMB15 per sq.m. of the Properties, representing approximately RMB128,787 (equivalent to approximately HK\$153,318) per month, is payable to the Management Company. The management fee shall not exceed RMB1,600,000 (equivalent to approximately HK\$1,905,000) per annum.

According to the Vendor, the current management fee of the other independent existing landlords of the Above the Bund Square is charged at RMB28 per sq.m. which includes (i) public facilities operation, repairing and maintenance of RMB17 per sq.m., (ii) public cleaning, greening and maintaining the good order and insurance of RMB7 per sq.m., and (iii) general management fee of approximately RMB4 per sq.m.. After arm’s length negotiations between the Group and the Management Company, the Management Company agrees to charge the Group at RMB15 per sq.m., representing a discount of 46% to the current management fee of RMB28 per sq.m.. As such, the Company considers that the management fee is fair and reasonable and on better commercial terms to the Group.

## LETTER FROM THE BOARD

### INFORMATION OF THE VENDOR, THE LEASING AGENT, THE MANAGEMENT COMPANY AND THE PROPERTIES

The Vendor is the owner/developer of the Properties. The Vendor is owned (i) as to 99% by Mr. Jiang, an executive Director and the chairman of the Company; and (ii) as to 1% by Mr. Jiang Lei, the brother of Mr. Jiang. According to the Vendor, it is principally engaged in property development and management, assets management and investment consultancy services.

The Properties comprise 14 retail units on 1st to 3rd floors of a 17-storey building completed in 2011 situated at Above the Bund Square, No. 948 Dongdaming Road, Hongkou District, Shanghai, the PRC. The Properties have an aggregate gross floor area of approximately 8,585.79 sq.m. The land use rights of the Properties have been granted for a term expiring on 4 April 2045 and 4 April 2055 for commercial and office use.

According to the Vendor, as at the Latest Practicable Date, the Properties were vacant but had been pledged to secure bank facilities granted to the Vendor, which will be released before delivery of the Properties.

The Leasing Agent is indirectly owned as to 99% by Mr. Jiang and as to 1% by Mr. Jiang Lei, the brother of Mr. Jiang and provides property leasing, management and agency services and business management and consultancy services in Shanghai, the PRC.

The Management Company is indirectly owned as to 99% by Mr. Jiang and as to 1% by Mr. Jiang Lei, the brother of Mr. Jiang and provides property management, property repair and maintenance and cleaning and greening services in Shanghai, the PRC.

The Vendor is the developer of the Above the Bund Project which consists of (i) the Above the Bund Square with aggregate gross floor area of approximately 30,000 sq.m., of which the Properties form part; (ii) Above the Bund Residential Apartment with aggregate gross floor area of approximately 80,000 sq.m.; and (iii) the Banyan Tree Shanghai on the Bund.

The Leasing Agent is currently the assigned leasing agent of the Above the Bund Square and the Management Company is currently the appointed management company of the Above the Bund Square and Above the Bund Residential Apartment. As set out above, both the Leasing Agent and the Management Company are offering better commercial terms to the Group. Accordingly, the Group considers that it is more appropriate to continue appointing the Leasing Agent in providing leasing agency services and the Management Company in providing management services for the Properties.

### REASONS FOR THE ACQUISITION

The Company is an investment holding company. The Group is principally engaged in the property investment operation, hotel operation, financing, securities investment operation, natural resources operation and environmental water treatment operation.

## LETTER FROM THE BOARD

As disclosed in the Company's annual report for the year ended 31 March 2015, the Group continues to seek opportunity of acquisition of high quality property to further enhance the assets base of the Group and strengthen the profitability of the property investment segment. Given (i) the Properties are located in a prime area on the north of the Bund (外灘), Shanghai with development potential; (ii) the Consideration represents 10% discount to the market value of RMB685,000,000 as set out in the valuation mentioned above; and (iii) the Vendor together with the Leasing Agent is providing profit guarantee to the WFOE for three years after completion of the Acquisition, the Acquisition will enhance the assets base of the Group while at the same time, the rental income from the Properties will contribute to the future revenue and income growth of the Group.

The terms of the Purchase Agreement have been negotiated on an arm's length basis. The Directors (including the independent non-executive Directors) believe that the Acquisition is in line with the business plan of the Company and the terms of the Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned, and the Acquisition is in the interest of the Company and the Independent Shareholders as a whole.

### FINANCIAL EFFECTS OF THE ACQUISITION

#### Earnings

As at the Latest Practicable Date, the Properties are currently vacant and therefore have not generated any revenue. However, upon completion of the Acquisition, the Group would recognise (i) a fair value gain of approximately RMB69,000,000 (equivalent to approximately HK\$82,143,000) from the Properties, representing the fair value of the Properties amounted to RMB685,000,000 (the valuation report of the Properties is set out in Appendix II to this circular) less the Consideration of RMB616,000,000; and (ii) a relevant deferred tax expenses of RMB17,250,000 (equivalent to approximately HK\$20,536,000) generated from the fair value gain of the Properties. Besides, pursuant to the Leasing Agreement and the Guarantee Agreement, the Properties will contribute an annual Rental Income of not less than 3.5% of the Consideration, which is equivalent to RMB21,560,000 (equivalent to approximately HK\$25,666,000) during the term of the Leasing Agreement.

#### Assets and Liabilities

The Acquisition is by its nature an acquisition of the Properties.

Upon completion of the Acquisition, (i) the investment properties of the Group would increase by approximately RMB685,000,000 (equivalent to approximately HK\$815,476,000); (ii) cash and cash equivalents of the Group would decrease by RMB616,000,000 (equivalent to approximately HK\$733,333,000) (assuming the Consideration will be fully financed by the Group's internal resources); and (iii) deferred tax liabilities of the Group would increase by approximately RMB17,250,000 (equivalent to approximately HK\$20,536,000). As a result, the net assets of the Group would increase by approximately RMB51,750,000 (equivalent to approximately HK\$61,607,000) upon completion of the Acquisition.

## LETTER FROM THE BOARD

### THE LISTING RULES IMPLICATION

As one of the applicable percentage ratios in respect of the Acquisition exceeds 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules which is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the Vendor is the owner/developer of the Properties which is owned as to 99% by Mr. Jiang and 1% by Mr. Jiang Lei, the brother of Mr. Jiang, the Vendor is therefore regarded as a connected person of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company which is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the Leasing Agent is indirectly owned as to 99% by Mr. Jiang and 1% by Mr. Jiang Lei, the brother of Mr. Jiang, the Leasing Agent is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. The Leasing Agreement constitutes continuing connected transaction of the Company. However, as the applicable percentage ratios in respect of the amount of the fees payable under the Leasing Agreement are less than 5% and the total fees payable is less than HK\$3,000,000 per annum, the Leasing Agreement is exempt from the reporting, annual review, disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the Management Company is indirectly owned as to 99% by Mr. Jiang and 1% by Mr. Jiang Lei, the brother of Mr. Jiang, the Management Company is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. The Management Agreement constitutes continuing connected transaction of the Company. However, as the applicable percentage ratios in respect of the amount of the fees payable under the Management Agreement are less than 5% and the total fees payable is less than HK\$3,000,000 per annum, the Management Agreement is exempt from the reporting, annual review, disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Jiang is considered to have a material interest in the Purchase Agreement, the Leasing Agreement, the Guarantee Agreement and the Management Agreement, he has abstained from voting at the Board meeting approving the Purchase Agreement, the Leasing Agreement, the Guarantee Agreement and the Management Agreement. To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Director has a material interest in the Purchase Agreement, the Leasing Agreement, the Guarantee Agreement and the Management Agreement and therefore no other Directors is required to abstain from voting on the Board resolution(s) for approving the Purchase Agreement, the Leasing Agreement, the Guarantee Agreement and the Management Agreement.

An Independent Board Committee has been formed to advise the Independent Shareholders on the Purchase Agreement and the transactions contemplated thereunder. Gram Capital has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this regard. Mr. Jiang and his associates (including Mr. Jiang Lei) whose in aggregate were interested in 1,742,300,000 Shares,

## LETTER FROM THE BOARD

representing approximately 28.66% of the issued share capital of the Company shall abstain from voting. Save as disclosed, no Shareholder has a material interest in the Purchase Agreement and thus no Shareholder will be required to abstain from voting at the GM.

### GM

A notice convening the GM to be held at 15/F, CCB Tower, 3 Connaught Road Central, Hong Kong on Friday, 11 March 2016 at 10:30 a.m. is set out on pages 39 to 40 of this circular.

A form of proxy for use by the Shareholders at the GM is enclosed with this circular. Whether or not you intend to attend and vote at the GM in person, you are requested to complete the form of proxy and return it to the office of the Company's share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the GM or any adjourned meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the GM or any adjourned meeting should you so wish.

### RECOMMENDATION

The Directors consider that the terms of the Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and that the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the GM to approve the Purchase Agreement and the transactions contemplated thereunder.

### ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee, the letter from Gram Capital and the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board of  
**EverChina Int'l Holdings Company Limited**  
**Lam Cheung Shing, Richard**  
*Executive Director and Chief Executive Officer*





**EVERCHINA INT'L HOLDINGS COMPANY LIMITED**

**潤中國際控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 202)**

19 February 2016

*To the Independent Shareholders*

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION**

**INTRODUCTION**

We refer to the circular dated 19 February 2016 (the “**Circular**”) of EverChina Int'l Holdings Company Limited (the “**Company**”) of which this letter forms part. Terms used in this letter shall have the meanings as defined in the Circular unless the context requires otherwise.

We, being the independent non-executive Directors, have been appointed to form the Independent Board Committee to advise you as to whether the terms of the Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the entering into of the Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the Purchase Agreement.

We wish to draw your attention to the letter from the Board as set out on pages 4 to 14 of the Circular and the letter from Gram Capital as set out on pages 17 to 24 of the Circular which contain, among other things, their advice, recommendations to us regarding the terms of the Purchase Agreement and the principal factors and reasons taken into consideration for their advice and recommendations.

<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b>
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**RECOMMENDATION**

Having taken into account the advice and recommendations of Gram Capital and the principal factors and reasons taken into consideration by them in arriving at their opinion, we consider that the terms of the Purchase Agreement are fair and reasonable as far as the Independent Shareholders are concerned and the entering into of the Purchase Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the GM to approve the Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,

**Mr. Ho Yiu Yue, Louis**

**Mr. Ko Ming Tung, Edward**  
*Independent Board Committee*

**Professor Shan Zhemin**

## LETTER FROM GRAM CAPITAL

*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

19 February 2016

*To: The independent board committee and the independent shareholders of  
EverChina International Holdings Company Limited*

Dear Sirs,

### MAJOR AND CONNECTED TRANSACTION

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 19 February 2016 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 24 December 2015, the Company entered into the Purchase Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell and the Group has conditionally agreed to acquire the Properties at an aggregate consideration of RMB616,000,000 (equivalent to approximately HK\$733,333,000).

With reference of the Board Letter, the Acquisition constitutes a major and connected transaction of the Company. Accordingly, the Acquisition is subject to reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Ho Yiu Yue, Mr. Ko Ming Tung, Edward and Professor Shan Zhemin, has been established to advise the Independent Shareholders on (i) whether the terms of the Purchase Agreement is on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Acquisition is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Purchase Agreement and the transactions contemplated thereunder under the GM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

## LETTER FROM GRAM CAPITAL

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Acquisition. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Properties, and we have not been furnished with any such evaluation or appraisal, save and except for the property valuation report dated 19 February 2016 of the Properties (the "**Valuation Report**") as set out in Appendix II to the Circular. The Valuation Report was prepared by Savills Valuation and Professional Services Limited (the "**Valuer**"). Since we are not experts in the valuation of land and properties, we have relied solely upon the Valuation Report for the market value of the Properties as at 11 December 2015.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Vendor or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Acquisition. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into

## LETTER FROM GRAM CAPITAL

account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Acquisition, we have taken into consideration the following principal factors and reasons:

#### 1. Background of and reasons for the Acquisition

##### *Business overview of the Group*

According to the Board Letter, the Company is an investment holding company. The Group is principally engaged in the property investment operation, hotel operation, financing, securities investment operation, natural resources operation and environmental water treatment operation.

Set out below are the audited consolidated financial information of the Group for the six months ended 30 September 2015 and the two years ended 31 March 2015 as extracted from the Company's interim report for the six months ended 30 September 2015 (the "**Interim Report**") and annual report for the year ended 31 March 2015 (the "**Annual Report**"):

	<b>For the six months ended 30 September 2015</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>Year on year change</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
Revenue	55,814	66,534	40,785	63.13
Profit/(loss) for the period/ year	(66,598)	(485,586)	178,815	N/A

As illustrated by the above table, the Group recorded a substantial increase in revenue of approximately 63.13% for the year ended 31 March 2015 ("**FY2015**") as compared to the year ended 31 March 2014 ("**FY2014**"). Despite the Group recorded a substantial increase in revenue in FY2015, the Group recorded a loss of approximately HK\$485.6 million for FY2015 as compared to a profit of approximately HK\$178.8 million for FY2014. With reference to the Annual Report and as confirmed by the Directors, the turnaround to a loss was mainly as a result of the following factors: (i) a

## LETTER FROM GRAM CAPITAL

non-recurrent one-off gain from deemed disposal of associates in FY2014; (ii) an impairment loss recognised in respect of mining rights resulting from sluggish demand for manganese ore as well as downward pressure on the market prices as compared with FY2014; (iii) an unrealised loss arising on change in fair value of financial assets as the result of the unstable investment market conditions; and (iv) loss arising from the partial disposal of equity interest in an associate during FY2015.

With reference to the Interim Report, the Group currently owns approximately total gross floor area of 19,620 sq.m. in Beijing Interchina Commercial Building, located in the CBD of Beijing, the PRC. Looking forward, the Group will continue to seek opportunity of acquisition of high quality property to further enhance the asset base of the Group and strengthen the profitability of this segment.

### *Information on the Vendor*

The Vendor is the owner/developer of the Properties. The Vendor is owned (i) as to 99% by Mr. Jiang, an executive Director and the chairman of the Company; and (ii) as to 1% by Mr. Jiang Lei, the brother of Mr. Jiang. According to the Vendor, it is principally engaged in property development and management, assets management and investment consultancy services.

### *The Properties*

The Properties comprise 14 retail units on 1st to 3rd floors of a 17-storey building completed in 2011 situated at Above the Bund Square, No. 948 Dongdaming Road, Hongkou District, Shanghai, the PRC. The Properties have an aggregate gross floor area of approximately 8,585.79 sq.m. The land use rights of the Properties have been granted for a term expiring on 4 April 2045 for retail use and 4 April 2055 for office use. With reference to the Valuation Report, the Properties are close to a metro station.

According to the Board Letter, as at the Latest Practicable Date, the Properties were vacant but had been pledged to secure bank facilities granted to the Vendor, which will be released before delivery of the Properties.

### *Reasons for the Acquisition*

As disclosed mentioned above, the Group continues to seek opportunity of acquisition of high quality property to further enhance the asset base of the Group and strengthen the profitability of the property investment segment. Given (i) the Properties is located in a prime area on the north of the Bund (外灘), Shanghai with development potential; (ii) the Consideration represents 10.07% discount to the Valuation; and (iii) the Vendor together with the Leasing Agent is providing profit guarantee to the WFOE for the three years after completion of the Acquisition, the Acquisition will enhance the assets base of the Group while at the same time, the rental income from the Properties will contribute to the future revenue and income growth of the Group.

## LETTER FROM GRAM CAPITAL

### *The Leasing Agreement and Guarantee Agreement*

Pursuant to the Purchase Agreement, the WFOE shall enter into (i) the Leasing Agreement with the Leasing Agent; and (ii) the Guarantee Agreement with the Vendor.

Pursuant to the Leasing Agreement, The Leasing Agent shall provide exclusive leasing services to the WFOE for a term of three years (the “**Period**”), commencing from the date on which the Group has obtained the new ownership certificates of the Properties. An agency fee (the “**Agency Fee**”) representing 1% of the monthly rental of the Properties is payable to the Leasing Agent. Based on our research, to the best of our knowledge, the leasing agents in Shanghai normally charge agency fee in the amount of a half-month rental income or a one-month rental income, being approximately 2% to 8% of the monthly rental of properties, subject to, among other things, the size and location of the target properties. The total service fee which includes agency fee and marketing fee payable by the Group to the Leasing Agent under the Leasing Agreement shall not exceed RMB1,800,000 (equivalent to approximately HK\$2,143,000) per annum. With reference to the Board Letter, the Company considers that the service fee payable under the Leasing Agreement is fair and reasonable and on better commercial terms to the Group.

The Leasing Agent guarantees that the annual rental income received by the WFOE generated from the Properties minus any fees or tax relating to the Properties payable to the Leasing Agent (the “**Rental Income**”) for the each year during the term shall not be less than 3.5% of the Consideration. In the event that the Rental Income is less than 3.5% of the Consideration, the Leasing Agent shall pay the WFOE the shortfall on a dollar-for-dollar basis.

Pursuant to the Guarantee Agreement, in the event that the Rental Income for any year during the term of the Leasing Agreement is less than 3.5% of the Consideration and the Leasing Agent fails to pay the shortfall to the WFOE under the Leasing Agreement, the Vendor agrees to pay the WFOE the shortfall on a dollar-for-dollar basis within 5 days after the amount of Rental Income has been determined in accordance with the terms of the Purchase Agreement.

Having considered the above leasing arrangement and guarantee arrangement, we are of the view that the Company’s interest shall be safeguard against of the potential risk of unsatisfactory financial performance of the WFOE during the Period.

In view of the foregoing potential benefits of the Acquisition and that the Acquisition is in line with the Group’s strategy, we concur with the Directors that the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **2. Principal terms of the Purchase Agreement**

### *The Purchase Agreement*

Pursuant to the Purchase Agreement, the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Properties.

## LETTER FROM GRAM CAPITAL

### *The Consideration*

The Consideration is RMB616,000,000 (equivalent to approximately HK\$733,333,000). The Consideration will be satisfied in cash by instalments. Details of the payment method are set out under the section headed “Consideration” of the Board Letter.

With reference to the Board Letter, the Consideration was determined after arm’s length negotiations between the Company and the Vendor and by reference to the Valuation Report of the Properties at RMB685,000,000 (equivalent to approximately HK\$815,476,000) as at 11 December 2015 (the “**Valuation**”). Such valuation was assessed by Savills Valuation and Professional Services Limited, a firm of independent professional valuer, adopting the market approach. The Consideration will be substantially financed by the internal resources of the Group and partially by way of borrowings, if necessary.

### *The Properties valuation*

According to the Valuation Report, the market value was RMB685,000,000 (equivalent to approximately HK\$815,476,000) as at 11 December 2015. The Consideration represents a discount of approximately 10.07% to the Valuation.

To assess the fairness and reasonableness of the Valuation, we have reviewed the Valuation Report and discussed with the Valuer regarding the methodology adopted and the basis and assumptions used in arriving at the Valuation. In the course of our discussion with the Valuer, we noted that the Valuer carried out a site inspection of the Properties on 1 December 2015. Based on the Valuation Report, the Valuer has adopted the direct comparison approach by making reference to comparable market transactions as available in the market. As confirmed by the Valuer, this approach is considered as a generally accepted valuation approach for valuing real estate and is also consistent with normal market practice.

For our due diligence purpose, we have reviewed and enquired into (i) the terms of engagement of the Valuer with the Company; (ii) the Valuer’s qualification and experience in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer for the preparation of the Valuation Report. Moreover, we have interviewed the Valuer as to its qualifications, expertise and independence to the Group, the Vendor and their respective associates and we have reviewed their terms of engagement. During our discussion with the Valuer, we have not identified any major factor which caused us to doubt the fairness and reasonableness of the principal bases and assumptions adopted for the Valuation Report.

Further details of the basis and assumptions of the Valuation are included in the Valuation Report as contained in Appendix II to the Circular. During our discussion with the Valuer, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal basis and assumptions adopted for or the information



## LETTER FROM GRAM CAPITAL

used in the Valuation. Nevertheless, Shareholders should note that valuation of assets or properties involves assumptions and therefore the Valuation may or may not reflect the true market value of the Properties accurately.

In light of the above basis of the Consideration and that the Consideration represents a discount of approximately 10.07% to the Valuation, we are of the view that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

As further advised by the Directors, the new ownership certificates will not be issued until, among others, (i) a sale agreement (上海市商品房出售合同) between the Vendor and the Group has been signed pursuant to the PRC laws; and (ii) application for the new ownership certificates has been submitted with the real estate trading centre. Accordingly, the issue of the new ownership certificates will neither be a condition to payment by the Group nor delivery of the properties to the Group. As confirmed by the Directors, there is no obstacles for the Company in obtaining the new ownership certificate.

Other major terms of the Purchase Agreement are set out under the section headed “The Purchase Agreement” of the Board Letter.

In light of the above, we are of the view that the terms of the Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

### **3. Possible financial effects of the Acquisition**

With reference to the Board Letter, the details of the financial effects of the Acquisition are as follows:

#### *Effect on earnings*

With reference to the Annual Report, the net loss of the Group was approximately HK\$485.6 million for FY2015. With reference to the Board Letter, as at the Latest Practicable Date, the Properties is currently vacant and therefore has not generated any revenue. However, upon completion of the Acquisition, the Group would recognise (i) a fair value gain from the Properties; and (ii) a relevant deferred tax expenses generated from the fair value gain of the Properties. Besides, pursuant to the Leasing Agreement and the Guarantee Agreement, the Properties will contribute an annual Rental Income of not less than 3.5% of the Consideration, which is equivalent to RMB21,560,000 (equivalent to approximately HK\$25,666,000) during the term of the Leasing Agreement.

#### *Effect on net assets*

With reference to the Interim Report, the net assets of the Group was approximately HK\$4,388.2 million as at 30 September 2015. With reference to the Board Letter, the Acquisition is by its nature an acquisition of the Properties and the net assets of the Group would be increased upon completion of the Acquisition.

## LETTER FROM GRAM CAPITAL

It should be noted that the aforementioned analysis is for illustrative purposes only and does not purport to represent how the financial position of the Group will be upon completion of the Acquisition.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the GM to approve the Purchase Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

## 1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the years ended 31 March 2013, 2014 and 2015 and for the six months ended 30 September 2015 are disclosed in the Company's annual reports for the three years ended 31 March 2013, 2014 and 2015 and interim report for the six months ended 30 September 2015. All of these financial statements have been published on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and the Company's website at [www.everchina202.com.hk](http://www.everchina202.com.hk):

- (1) annual report of the Company for the year ended 31 March 2013 published on 24 July 2013 (pages 27–130);
- (2) annual report of the Company for the year ended 31 March 2014 published on 16 July 2014 (pages 29–130);
- (3) annual report of the Company for the year ended 31 March 2015 published on 28 July 2015 (pages 27–98); and
- (4) interim report of the Company for the six months ended 30 September 2015 published on 16 December 2015 (pages 4–27).

## 2. STATEMENT OF INDEBTEDNESS

### **Borrowings**

As at the close of business on 31 December 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had total borrowings of approximately HK\$554,018,000, comprising unguaranteed secured bank borrowings of approximately HK\$17,424,000 and unguaranteed secured other borrowings of approximately HK\$536,594,000.

### **Contingent liabilities**

As at 31 December 2015, the Group had no contingent liabilities.

### **Disclaimer**

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not, at the close of business on 31 March 2015, have any outstanding loan capital issued, outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptances credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that there has been no material change in borrowings and contingent liabilities of the Group since 31 December 2015.

For the purpose of the above statement of indebtedness, foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 31 December 2015.

### 3. WORKING CAPITAL

After taking into account the Acquisition, the Group's business prospects and the financial resources available to the Group, including the internally generated funds and the available banking facilities, and in the absence of unforeseen circumstances, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular, after completion of the Acquisition.

### 4. FINANCIAL AND TRADING PROSPECTS

The Group is principally engaged in (i) property investment operation, (ii) hotel operation, (iii) financing and securities investment operation, (iv) natural resources operation and (v) environmental water treatment operation.

#### Property Investment Operation

The Group currently owns approximately total gross floor area of 19,620 sq.m. in Beijing Interchina Commercial Building, located in the central business district of Beijing, the PRC (the "**Beijing Properties**"). The Beijing Properties have been providing stable income stream to the Group. As disclosed in the Company's interim report 2015, the carrying value of the Group's investment properties amounted to approximately HK\$616,635,000.

Given Shanghai as key financial centre in the PRC will serve to drive the city's transformation into an international services hub, it is expected that demand for high-grade commercial offices will continue to be strong. The Board is of the view that the Properties represent a sound investment opportunity for the Group and will become a major assets in its property portfolio following completion of the Acquisition. Please refer to the section headed "Reasons for the Acquisition". The Group will continue to seek opportunity of acquisition of high quality property to further enhance the assets base of the Group and strengthen the profitability of this segment.

#### Hotel Operation

The Group successfully acquired the Express by Holiday Inn Wujiaochang Shanghai ("**Holiday Inn Wujiaochang**") by the end of December 2014. It is a 20-storey hotel with total gross floor area of approximately 15,900 square feet, and 296 guest rooms, located in Yangpu District, Shanghai, the PRC. It is the first hotel project of the Group and expects this segment will become one of major source of revenue of the Group.

The Group holds positive view towards investing in hotels, as this segment would bring solid revenue base and capital gain potentials. The Group will continue to seek opportunity of acquisition of high quality hotel property from time to time.

### Financing and Securities Investment Operation

As disclosed in the Company's interim report 2015, total loan receivable under financing operation amounted to HK\$366,281,000 and total securities investment/financial assets at fair value through profit and loss stood at HK\$1,448,386,000. At 30 September 2015, the Group held listed securities, being 227,312,500 shares or approximately 15.62% interest in Heilongjiang Interchina Water Treatment Company Limited ("**Heilongjiang Interchina**") listed on Shanghai Stock Exchange with stock code: 600187 and 60,000,000 shares or approximately 1.06% interest in KuangChi Science Limited (stock code: 439).

This segment has been one of major source of revenue of the Group. For financing operation, the Group will continue to diversify its customer portfolio for higher interest income returns. For securities investment operation, the Group will continue to adopt a conservative approach for minimising the business risk.

### Natural Resources Operation

The Group operates the natural resources operation through a 95% owned subsidiary of the Company, P.T. Satwa Lestari Permai ("**SLP**"), which is a licensed mining company under the Laws of Indonesia. SLP owns mining licences (IUP Manganese Production Operation) to conduct the activities of construction, production, sales transportation and processing/refinery of manganese ore in areas totaling approximately 2,000 hectare in and around the sub-district of Amfoang Selatan, sub-district of Takari and sub-district of Fatuleu, Kupang City Nusantara Timor Tenggara, Indonesia for a period of twenty years ("**Mining Right**"), with estimate resources of approximately 18,800,000 tonnes. As disclosed in the Company's interim report 2015, the carrying value of the Mining Right at 30 September 2015 amounted to HK\$870,016,000. Production has not been commenced since the Group acquired the Mining Right in 2011.

Given the softening of the global commodity market and prolonged period of depressed prices, it is expected that more time will be required to improve/fine tune the operating performance of this segment in order to achieve satisfactory results in the long run.

### Environmental Water Treatment Operation

The Group currently does not own any water project. In the past, this segment was mainly conducted by Heilongjiang Interchina, a then associate of the Group. As disclosed in the Company's interim report 2015, due to the Group's significant influence over Heilongjiang Interchina is lost, the investment in Heilongjiang Interchina was re-classified from an associate company to financial assets at fair value through profit or loss in May 2015.

The management has reassessed the possibility of development this segment and the potential risk of this business. It decided to cease the operation as soon as practicable, so as to concentrate the Group's financial resources in other core businesses of the Group in long term.

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent valuer, in connection with their opinion of value of the Property as at 11 December 2015 to be acquired by the Group.*



The Directors  
EverChina Int'l Holdings Company Limited  
15/F, CCB Tower  
3 Connaught Road Central  
Hong Kong

19 February 2016

Dear Sirs,

**RE: 14 RETAIL UNITS OF ABOVE THE BUND SQUARE, NO. 948 DONGDAMING ROAD, HONGKOU DISTRICT, SHANGHAI, THE PEOPLE'S REPUBLIC OF CHINA (THE "PROPERTY")**

## INSTRUCTIONS

In accordance with your instructions for us to value the Property situated in the People's Republic of China ("PRC") to be acquired by EverChina Int'l Holdings Company Limited (the "Company") and its subsidiaries (together referred to as the "Group"), we confirm that we have carried out an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of market value of the Property as at 11 December 2015 (the "date of valuation") for circular purpose.

## BASIS OF VALUATION

Our valuation of the Property is our opinion of its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale and purchase (or transaction) and without offset for any associated taxes or potential taxes.

Savills Valuation and  
Professional Services Limited  
23/F Two Exchange Square  
Central, Hong Kong

T : (852) 2801 6100  
F : (852) 2530 0756

EA Licence: C-023750  
savills.com

Our valuation is prepared in compliance with the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in accordance with The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

### **PROPERTY CATEGORIZATION AND VALUATION METHODOLOGY**

The Property is to be held by the Group for investment. In undertaking our valuation, we have valued the Property by direct comparison approach by making reference to comparable market transactions as available in the relevant markets.

### **TITLE INVESTIGATIONS**

We have been provided with extracts of documents in relation to the title to the Property. However, we have not searched the original documents to ascertain the existence of any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied to a very considerable extent on information given by the Group and the legal opinion issued by the Group's PRC legal adviser, Llinks Law Offices (通力律師事務所), regarding the title to the Property.

### **VALUATION CONSIDERATION**

In valuing the Property in the PRC, we have assumed that transferable land use rights in respect of the Property for its specific terms at nominal annual land use fee have been granted and that any premium payable has already been fully paid. We have also assumed that the owner of the Property has free and uninterrupted rights to occupy, use, transfer, lease or mortgage the Property for the whole of the unexpired terms as granted.

We have relied to a considerable extent on the information provided by the Group and have accepted advice given to us by the Group on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on the information provided to us and are therefore only approximations. All documents have been used as reference only and all dimensions, measurements and areas are only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation. We are also advised by the Group that no material fact has been omitted from the information supplied.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

**SITE INSPECTION**

We have inspected the exterior, and where possible the interior of the Property. Site inspection of the Property was undertaken by our Ms. Maria Howe and Mr. Alex Wang (Valuer) on 1 December 2015. Ms. Maria Howe is a China Registered Real Estate Appraiser. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report that the Property is free from rot, infestation or any other defects. No tests were carried out on any of the services.

**REMARKS**

Unless otherwise stated, all money amounts stated are in Renminbi (“**RMB**”).

We enclose herewith our valuation certificate.

Yours faithfully  
For and on behalf of  
**Savills Valuation and Professional Services Limited**  
**Anthony C K Lau**  
*MRICS MHKIS RPS(GP)*  
*Director*

*Note:* Mr. Anthony C K Lau is a chartered surveyor and has over 22 years’ post-qualification experience in the valuation of properties in the PRC and Hong Kong.



## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 11 December 2015										
14 retail units of Above the Bund Square, No. 948 Dongdaming Road, Hongkou District, Shanghai, PRC	<p>The Property comprises portion of Above the Bund Square (the “<b>Development</b>”), which is erected on a parcel of land with a site area of approximately 8,135.00 sq.m.. It is located at the intersection of Gongping Road and Dongdaming Road. The immediate locality is mainly commercial in nature with several commercial developments available in the area. It is close to Tilanqiao station of Metro line 12.</p> <p>The Property comprises 14 retail units on Levels 1 to 3 of the Development with a total gross floor area of approximately 8,585.79 sq.m., the breakdown of which is as follows:</p>	As at the date of valuation, the Property was vacant.	RMB685,000,000										
	<table border="1"> <thead> <tr> <th data-bbox="475 985 534 1012">Level</th> <th data-bbox="751 925 893 1044">Approximate Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 1072 486 1100">1</td> <td data-bbox="804 1072 893 1100">1,751.71</td> </tr> <tr> <td data-bbox="475 1102 486 1129">2</td> <td data-bbox="804 1102 893 1129">3,410.12</td> </tr> <tr> <td data-bbox="475 1132 486 1159">3</td> <td data-bbox="804 1132 893 1159"><u>3,423.96</u></td> </tr> <tr> <td data-bbox="475 1195 542 1223"><b>Total:</b></td> <td data-bbox="804 1195 893 1223"><u><b>8,585.79</b></u></td> </tr> </tbody> </table>	Level	Approximate Gross Floor Area (sq.m.)	1	1,751.71	2	3,410.12	3	<u>3,423.96</u>	<b>Total:</b>	<u><b>8,585.79</b></u>		
Level	Approximate Gross Floor Area (sq.m.)												
1	1,751.71												
2	3,410.12												
3	<u>3,423.96</u>												
<b>Total:</b>	<u><b>8,585.79</b></u>												
	The Property was completed in about 2011.												
	The land use rights of the Property have been granted for terms expiring on 4 April 2045 and 4 April 2055 for commercial and office uses respectively.												

## Notes:

- Pursuant to the Shanghai Certificate of Real Estate Ownership — Hu Fang Di Hong Zi (2011) No. 000238 dated 11 January 2011, the building ownership of Above the Bund Square with a total gross floor area of approximately 23,946.44 sq.m. is vested in 上海萊因思置業有限公司 (Shanghai Lai Yin Si Zhiye Company Limited) (“**Lai Yin Si Zhiye**”), and the corresponding land use rights of the land parcel with a site area of approximately 8,135.00 sq.m. have been granted to Lai Yin Si Zhiye for terms expiring on 4 April 2045 and 4 April 2055 for commercial and office uses respectively.

As advised by the Group, the Property only comprises portion of the gross floor areas as stated in the said certificate.

2. We have been provided with a legal opinion on the title to the Property issued by the Group's PRC legal adviser, which contains, inter-alia, the following information:
- (i) Lai Yin Si Zhiye has obtained the Shanghai Certificate of Real Estate Ownership;
  - (ii) Lai Yin Si Zhiye is the legal owner of the Property;
  - (iii) the Property has been mortgaged to Agricultural Bank of China Limited Shanghai Huangpu Sub-branch at a loan amount of RMB300,000,000; and
  - (iv) except for the limitations of the aforesaid mortgage, Lai Yin Si Zhiye is entitled to transfer, lease or by other means to dispose of the Property.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

Name	Name of company in which interests or short positions were held	Nature of interests	Number of Shares	Appropriate percentage of shareholding
Mr. Jiang	The Company	Interests in controlled corporation (Note)	1,742,300,000 Shares (L)	28.66%
Shen Angang	The Company	Beneficial owner	187,865,000 Shares (L)	3.09%
Lam Cheung Shing, Richard	The Company	Beneficial owner	7,700,000 Shares (L)	0.13%

(L) denotes the long position held in the Shares

*Note: Of which 709,000,000 Shares are held by Pengxin Holdings Company Limited while 1,033,300,000 Shares are held by Rich Monitor Limited, both being wholly and beneficially owned by Mr. Jiang. Mr. Jiang is the sole director of both Rich Monitor Limited and Pengxin Holdings Company Limited.*

Save as disclosed above, none of the Directors or chief executive of the Company had, as at the Latest Practicable Date, any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

**(b) Substantial Shareholders and persons having 5% or more shareholding**

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company have been made up) or had options in respect of such capital:

Name	Name of company in which interests or short positions were held	Nature of interests	Number of shares	Appropriate percentage of shareholding
Mr. Jiang	The Company	Interests in controlled corporation (Note)	1,742,300,000 Shares (L)	28.66%
Rich Monitor Limited (Note)	The Company	Beneficial owner	1,033,300,000 Shares (L)	17.00%
Pengxin Holdings Company Limited (Note)	The Company	Beneficial owner	709,000,000 Shares (L)	11.66%

(L) denotes long position in the Shares

*Note: The entire issued share capital of Rich Monitor Limited and Pengxin Holdings Company Limited are held by Mr. Jiang. Therefore, Mr. Jiang is deemed to be interested in 1,742,300,000 Shares under the SFO. Mr. Jiang is the sole director of both Rich Monitor Limited and Pengxin Holdings Company Limited.*

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company have been made up) or who had any options in respect of such capital.

### **3. SERVICE CONTRACT**

As at the Latest Practicable Date, there was no service contract or any proposed service contract between any of the Directors or proposed Directors and the Company or any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company have been made up), excluding contracts expiring or determinable by the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company have been made up) within a year without payment of any compensation (other than statutory compensation).

### **4. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

To the best knowledge of the Directors, none of the Directors or their respective associates had any interests in any business which competed or might compete with the business of the Group as at the Latest Practicable Date.

### **5. MATERIAL INTERESTS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in the assets which had been, since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company have been made up), or were proposed to be acquired or disposed of by or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company have been made up).

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company have been made up).

## 6. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, were entered into by the members of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company have been made up) within two years preceding the Latest Practicable Date and are or may be material:

- (a) the sale and purchase agreement dated 21 March 2014 entered into between Interchina Resources Holdings Limited, a wholly-owned subsidiary of the Company, and Ji Wenwen in relation to the acquisition of the entire equity interest of All Yield Investments Limited at the consideration of HK\$318,000,000;
- (b) the subscription agreement dated 15 September 2014 entered into between the Company and KuangChi Science Limited (“**KuangChi**”) in relation to the subscribe for up to 60,000,000 new shares of KuangChi at HK\$5.386 per share in cash for an aggregate consideration of HK\$323,160,000;
- (c) the bought and sold note dated 28 April 2015 entered into between the Company and Ms. Pauline Po in relation to the disposal of 119,500,000 shares of Honbridge Holdings Limited at a total cash consideration of HK\$167,300,000; and
- (d) the Purchase Agreement.

## 7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2015, being the date to which the latest published audited consolidated accounts of the Company have been made up.

## 8. LITIGATION

As at the Latest Practicable Date, so far as the Directors were aware, neither the Company nor any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company have been made up) was engaged in any litigation nor or were these claims of material importance pending or threatened against any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company have been made up).

**9. QUALIFICATION AND CONSENT OF EXPERTS**

The following is the qualification of the experts who has given its advice and recommendation which are included in this circular:

<b>Name</b>	<b>Qualification</b>
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Savills Valuation and Professional Services Limited	the chartered surveyors and independent valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with its opinion included in the form and context in which it is included and the references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above experts had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any direct or indirect interest in any assets which had been, since 31 March 2015, being the date to which the latest audited consolidated accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

**10. MISCELLANEOUS**

- (a) The registered office of the Company is at 15th Floor, CCB Tower, 3 Connaught Road Central, Hong Kong.
- (b) The share registrar and transfer office of the Company is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The secretary of the Company is Mr. Lau Chi Lok who is a member of Hong Kong Institute of Certified Public Accountants and CPA Australia.
- (d) The English text of this circular shall prevail over the Chinese text.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at 15th Floor, CCB Tower, 3 Connaught Road Central, Hong Kong during 9:00 a.m. to 6:00 p.m. on any Business Day, from the date of this circular up to and including the date of the GM:

- (a) the memorandum and articles of association of the Company;
- (b) the consent letter referred to in the paragraph headed “Qualification and consent of experts” in this Appendix;
- (c) the letter from the Independent Board Committee as set out on pages 15 to 16 of this circular;
- (d) the letter from Gram Capital as set out on pages 17 to 24 of this circular;
- (e) the property valuation report from Savills Valuation and Professional Services Limited as set out on pages 28 to 32 of this circular;
- (f) the annual reports of the Company for the two years ended 31 March 2015 and interim report of the Company for the six months ended 30 September 2015;
- (g) the material contracts referred to under the section headed “Material Contracts” in this Appendix;
- (h) the Leasing Agreement, the Guarantee Agreement and the Management Agreement; and
- (i) this circular.





**EVERCHINA INT'L HOLDINGS COMPANY LIMITED**

**潤中國際控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 202)**

**NOTICE IS HEREBY GIVEN THAT** the general meeting (the “GM”) of EverChina Int'l Holdings Company Limited (the “Company”) will be held at 15/F, CCB Tower, 3 Connaught Road Central, Hong Kong on Friday, 11 March 2016 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as ordinary resolution of the Company:

**ORDINARY RESOLUTION**

**“THAT**

- (a) the purchase agreement dated 24 December 2015 (the “**Purchase Agreement**”, a copy of which has been produced to this meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) entered into between EverChina Int'l Holdings Company Limited (the “**Company**”) as purchaser and 上海萊因思置業有限公司 (Shanghai Lai Yin Si Zhiye Company Limited\*) in relation to the sale and purchase of a total of 14 retail units located at Above the Bund Square (白金灣廣場), No. 948 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China at the aggregate consideration of RMB616,000,000 be and is hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and are hereby authorised on behalf of the Company to do all such things and sign, seal, execute, perfect and deliver all such documents as they may in their discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation and/or give effect to any matters relating to the Purchase Agreement and the transactions contemplated thereunder.”

By order of the Board

**EverChina Int'l Holdings Company Limited**

**Lam Cheung Shing, Richard**

*Executive Director and Chief Executive Officer*

Hong Kong, 19 February 2016

\* *For identification purpose only*

## NOTICE OF GM

*Registered office:*

15th Floor  
CCB Tower  
3 Connaught Road Central  
Hong Kong

*Notes:*

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share of the Company (the “**Share**”), any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company’s share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. As at the date of this notice, the executive Directors are Mr. Jiang Zhaobai, Mr. Shen Angang, Mr. Lam Cheung Shing, Richard and Mr. Chen Yi, Ethan; and the independent non-executive Directors are Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Professor Shan Zhemin.