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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)

DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that on 1 March 2013, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower. Pursuant to the Loan Agreement, the Lender agreed to grant to the Borrower the Loan in the principal amount of HK\$230,000,000, bearing interest at a rate of 0.6% per month for a term of twelve months. The Borrower has fully repaid the Loan together with the accrued interest to the Group in October 2016.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan granted to the Borrower under the Loan Agreement exceeds 5% but are less than 25%, the grant of the Loan under the Loan Agreement constituted a discloseable transaction of the Company and was therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. However, due to misinterpretation of the Listing Rules, the Company failed to announce the provision of financial assistance to the Borrower at the time of execution of the Loan Agreement on 1 March 2013.

As the amount of the financial assistance granted to the Borrower did not exceed 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the grant of the Loan was not subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

The Board announces that on 1 March 2013, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower. Pursuant to the Loan Agreement, the Lender agreed to grant to the Borrower the Loan in the principal amount of HK\$230,000,000, bearing interest at a rate of 0.6% per month, for a term of twelve months, details of which are as follows:

THE LOAN AGREEMENT

Date	:	1 March 2013
Lender	:	Interchina Finance (H.K.) Limited, an indirect wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance
Borrower	:	An individual who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is an Independent Third Party.
Principal	:	HK\$230,000,000
Interest rate	:	0.6% per month
Final repayment date under the Loan Agreement	:	28 February 2014
Repayment	:	The Borrower shall repay the interest and the principal amount at the end of the term of the Loan

At the date of the Loan Agreement, based on the interest rate set out above and the term of 12 months, the interest payable by the Borrower would have amounted to HK\$16,560,000. On 20 March 2014, the Borrower partially repaid the principal amount of HK\$20,000,000 (the “**1st Repayment**”) together with the accrued interest of HK\$16,560,000 to the Group. After the 1st Repayment, the outstanding principal amount of the Loan reduced to HK\$210,000,000. On 26 March 2015, the Borrower further partially repaid the principal amount of HK\$40,000,000 (the “**2nd Repayment**”) together with the accrued interest of HK\$10,625,000 to the Group. After the 2nd Repayment, the outstanding principal amount of the Loan reduced to HK\$170,000,000. On 12 October 2016, the Borrower has fully repaid the principal amount of HK\$170,000,000 together with the accrued interest of HK\$24,251,000 to the Group.

FUNDING OF THE LOAN

The Group financed the Loan with its internal resources.

INFORMATION OF THE BORROWER

The Borrower is the founder and the ultimate beneficial owner of a limited liability company established in the PRC which mainly engaged in property development and investment in the PRC.

INFORMATION OF THE GROUP AND THE LENDER

The Group engages in property investment operation, hotel operation, financing and securities investment operation and natural resources investment operation. The Lender is an indirect wholly-owned subsidiary of the Company and is licensed to conduct money lending business in Hong Kong through the provision of unsecured and secured loans to customers under the provisions of the Money Lenders Ordinance.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE FINANCIAL ASSISTANCE

The terms of the Loan Agreement were negotiated on an arm's length basis between the Lender and the Borrower. Taking into account the satisfactory financial background of the Borrower and that a stable cash inflow and revenue to be generated from the interest income is expected, the Directors are of the view that the terms of the Loan Agreement are entered into on normal commercial terms based on the Group's credit policy and are in the ordinary and usual course of business of the Group which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the Loan under the Loan Agreement exceeds 5% but less than 25%, the grant of the Loan under the Loan Agreement constituted a discloseable transaction of the Company and was therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. However, due to misinterpretation of the Listing Rules, the Company failed to announce the provision of financial assistance to the Borrower at the time of execution of the Loan Agreement on 1 March 2013. The Company considers that going forward, this can be avoided and is taking the following remedial measures to prevent re-occurrence of similar incident: (a) an updated notifiable transactions memorandum has been circulated to all Directors, senior management and accounting staff of the Group; (b) the Board is reviewing and will continue to periodically review the Company's internal control and financial reporting systems and their effectiveness; (c) the Board will seek professional advice as and when it is necessary to ensure disclosure will be in compliance with the Listing Rules; and (d) the Company will arrange the Directors and senior management of the Company to undergo training in relation to compliance with and update of the Listing Rules, directors' duties (if applicable), corporate governance matters and the reporting procedure of notifiable transactions and to emphasise the importance of identifying such transactions prior to execution.

As the amount of the financial assistance granted to the Borrower did not exceed 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the grant of the Loan was not subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	an individual, who is an Independent Third Party
“Company”	EverChina Int’l Holdings Company Limited (潤中國際控股有限公司), a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is/are independent of, and not connected with, the Company and its connected person(s) (as defined in the Listing Rules)
“Lender”	Interchina Finance (H.K.) Limited, an indirect wholly owned subsidiary of the Company, being the lender under the Loan Agreement
“Listing Rules”	the Rules Governing the Listing Securities on the Stock Exchange
“Loan”	an unsecured loan in the principal amount of HK\$230,000,000 provided by the Lender to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 1 March 2013 entered into between the Lender and the Borrower in respect of the Loan
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China which for the purpose of this announcement shall excluded Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of the Company

“Shareholder(s)” holder(s) of the Share(s)
“Stock Exchange” The Stock Exchange of Hong Kong Limited
“%” per cent

By order of the Board of
EverChina Int’l Holdings Company Limited
Lam Cheung Shing, Richard
Executive Director and Chief Executive Officer

Hong Kong, 30 December 2016

As at the date of this announcement, 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.