

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 SUBSCRIPTION OF SHARES IN KUANGCHI

THE SUBSCRIPTION

On 12 September 2014 (after trading hours), the Company and KuangChi entered into the Subscription Agreement pursuant to which the Company has conditionally agreed to subscribe for up to 60,000,000 new KuangChi Shares at HK\$5.386 per KuangChi Share for an aggregate consideration of HK\$323,160,000. The 60,000,000 new KuangChi Shares subscribed by the Company represents approximately 1.93% of the entire issued share capital of KuangChi as at the date of this announcement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) in relation to the transaction as contemplated under the Subscription Agreement exceed(s) 5% but below 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors should be aware that the completion of the Subscription is subject to certain conditions, as set out in the subsection headed "Conditions" in this announcement, being satisfied, and consequently the Subscription may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

THE SUBSCRIPTION

On 12 September 2014 (after trading hours), the Company and KuangChi entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to subscribe for up to 60,000,000 new KuangChi Shares at HK\$5.386 per KuangChi Share in cash for an aggregate consideration of HK\$323,160,000 (the “**Consideration**”) before expenses.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, KuangChi and its ultimate beneficial owners, are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

The Consideration is determined based on the closing price of HK\$5.69 per KuangChi Share as quoted on the Stock Exchange on 12 September 2014, being the date of the Subscription Agreement and represents (i) a discount of approximately 5.34% to the closing price of HK\$5.69 of KuangChi Share as quoted on the Stock Exchange on 12 September 2014; and (ii) a discount of approximately 7% to the average closing price of HK\$5.792 per KuangChi Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the 11 September 2014. Also, there is no restriction for any subsequent sale of KuangChi Shares subscribed by the Company. Accordingly, the Directors consider that the Subscription is in the best interests of the Company and the Shareholders as a whole, and that their terms are fair and reasonable, having reached after arm’s length negotiations.

It is intended that the Company will finance the Consideration partly by its internal resources and partly by securities financing.

Conditions

Completion of the Subscription is conditional upon the listing of and permission to deal in the Subscription Shares being granted by the Listing Committee of the Stock Exchange.

If the above condition is not fulfilled prior to 5:00 p.m. on 31 October 2014 or such later date to be agreed by KuangChi in writing, the Subscription Agreement will be terminated and the Subscription will not proceed and all obligations and liabilities of the parties thereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

Completion

Completion of the Subscription will be take place on the third Business Day after the condition of the Subscription is fulfilled (or such other date as may be agreed by KuangChi in writing).

INFORMATION OF KUANGCHI

KuangChi and its subsidiaries (“**KuangChi Group**”) is principally engaged in the manufacture and sale of paper packaging products and paper gift items and the printing of paper promotional materials and property investment. KuangChi is planning to develop a new business in the near space and other innovative technology sector in the PRC. The Company noted that KuangChi Group intends to enter into an outsourcing technology

development agreement with Kuang-Chi Innovative Technology Limited (深圳光啟創新技術有限公司) (“**Shenzhen Kuang-Chi**”), a company established in the PRC and headquartered in Shenzhen, principally engaged in the provision of solutions to innovative products by using new technology, pursuant to which KuangChi Group shall appoint Shenzhen Kuang-Chi to research and develop a civil near space flying apparatus with a volume of not less than 10,000 cubic metre, which shall be equipped with communication facilities to be used in the range from ground level to near space and shall be able to fly at no less than 20 kilometres above sea level. The research results and related intellectual property rights arising from the development of the technologies shall be owned exclusively by KuangChi Group upon development of such technologies.

Set out below is a summary of the audited consolidated financial information of KuangChi Group for the two years ended 31 March 2014, which was prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 31 March	
	2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) before taxation	3,480	(37,332)
Profit/(loss) after taxation	2,232	(37,908)
Net assets value	181,222	167,165

REASONS AND BENEFITS FOR THE SUBSCRIPTION

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

The Company has been looking for investment opportunities that will strength the earning base of the Company. As disclosed in the recent announcement and circular published by KuangChi, KuangChi is planning to develop a new business in the near space and other innovative technology sector in the PRC. In consideration of the possible development in the near space and other innovative technology sectors and the recent market price of KuangChi, the Directors consider that the Subscription would enable the Group to generate a good return and capture the potential capital gain in the future.

Following completion of the Subscription, the Company will hold 60,000,000 KuangChi Shares, representing approximately 1.93% of the entire issued share capital of KuangChi as at the date of this announcement. According to the Company’s accounting policies and the relevant Hong Kong Financial Reporting Standards, the investment in KuangChi will be treated as the financial assets at fair value through profit and loss.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) in relation to the transaction as contemplated under the Subscription Agreement exceed(s) 5% but below 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors should be aware that the completion of the Subscription is subject to certain conditions, as set out in the subsection headed “Conditions” in this announcement, being satisfied, and consequently the Subscription may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday or Sunday or public holiday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general banking business
“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 in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Group and its connected persons (as defined under the Listing Rules)
“KuangChi”	KuangChi Science Limited (formerly known as Climax International Company Limited), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board (Stock Code: 439)
“KuangChi Share(s)”	the ordinary share of HK\$0.01 each in the share capital of KuangChi

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Company of up to 60,000,000 new KuangChi Shares pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 12 September 2014 entered into between the Company and KuangChi in respect of the conditional subscription by the Company, at HK\$5.386 per KuangChi Share in cash, of up to 60,000,000 new KuangChi Shares, for an aggregate consideration of up to HK\$323,160,000
“%”	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, 15 September 2014

As at the date of this announcement, the executive Directors are Mr. Jiang Zhaobai, Mr. Shen Angang and Mr. Lam Cheung Shing, Richard and the independent non-executive Directors are Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Mr. Chen Yi, Ethan.