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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**

#### **THE ACQUISITION**

The Board is pleased to announce that on 13 June 2017 (after trading hours of the Stock Exchange), the Company entered into the Sale and Purchase Agreement with Mr. Jiang in relation to the Acquisition. Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to acquire and Mr. Jiang has conditionally agreed to dispose of the Sale Shares (representing the entire issued share capital of Pengxin Agricultural) and the Sale Loan at the aggregate Consideration of US\$46,000,000 (equivalent to approximately HK\$358,800,000), subject to the Adjustment.

Completion is subject to fulfilment of the conditions precedent as set out below.

The Pengxin Agricultural Group is principally engaged in agricultural farming, being the cultivation and sale of soybean, corn and rice via operation of the Farm, which is situated in Bolivia.

#### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios in respect of the Acquisition are above 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Jiang, an executive Director and the chairman of the Company, is interested in 1,742,300,000 Shares, representing approximately 28.66% of the issued share capital of the Company. Accordingly, Mr. Jiang is a connected person of the Company and the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules, subject to the reporting, announcement and the Independent Shareholders' approval requirements.

An Independent Board Committee has been formed to provide recommendations to the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company will seek the Independent Shareholders' approval of the Sale and Purchase Agreement and the transactions contemplated thereunder at the GM by way of poll whereby Mr. Jiang and his associates shall abstain from voting.

## **GENERAL**

A circular containing, among other things, (i) details of the Acquisition; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the GM, will be despatched to the Shareholders on or before 30 September 2017 as additional time is required for the preparation of the relevant information, including but not limited to the accountants' report of the Pengxin Agricultural Group, for inclusion in the circular.

## **INTRODUCTION**

The Board is pleased to announce that on 13 June 2017 (after trading hours of the Stock Exchange), the Company entered into the Sale and Purchase Agreement with Mr. Jiang in relation to the Acquisition. Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to acquire and Mr. Jiang has conditionally agreed to dispose of the Sale Shares (representing the entire issued share capital of Pengxin Agricultural) and the Sale Loan at the aggregate Consideration of US\$46,000,000 (equivalent to approximately HK\$358,800,000), subject to the Adjustment.

Particulars of the Sale and Purchase Agreement are described in the following sections:

## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

13 June 2017

### **Parties**

Vendor: Mr. Jiang, an executive Director and the chairman of the Company. As at the date of this announcement, Mr. Jiang is interested in 1,742,300,000 Shares, representing approximately 28.66% of the issued share capital of the Company. Therefore, he is a connected person of the Company under the Listing Rules

Purchaser: the Company

## Assets to be acquired

- (a) the Sale Shares, representing the entire issued share capital of Pengxin Agricultural, which holds 99.99% of the Bolivian Company as at the date of this announcement (and Pengxin Agricultural will acquire the remaining 0.01% interest of the Bolivian Company prior to Completion), which in turn holds six agricultural plots of land (namely (i) El Recreo, (ii) Tres Marias Fundo A, (iii) Tres Marias I Lot 1, (iv) Tres Marias I Lot 2, (v) Tres Marias I Lot 3 and (vi) Tres Marias I Lot 4) in Bolivia, and has purchased the adjacent agricultural plot of land Tres Marias I Lot 5 in Bolivia; and
- (b) the Sale Loan, being the aggregate sum due and owing by Pengxin Agricultural to Mr. Jiang immediately prior to Completion.

As at the date of the Sale and Purchase Agreement, the amount owed by Pengxin Agricultural to Mr. Jiang amounted to approximately US\$27,217,000 (equivalent to approximately HK\$212,293,000). An amount of US\$1,000,000 (equivalent to approximately HK\$7,800,000) owed by the Bolivian Company to Shanghai Pengxin Group Company Limited, a company owned as to 99% by Mr. Jiang, will be assigned to Pengxin Agricultural prior to Completion. Therefore, it is expected that the amount owing by Pengxin Agricultural to Mr. Jiang will be approximately US\$28,217,000 (equivalent to approximately HK\$220,093,000) upon Completion. The original acquisition cost of the Pengxin Agricultural Group amounted to approximately US\$27,204,000 (equivalent to approximately HK\$212,191,000).

## The Consideration and the Adjustment

Subject to the Adjustment (as defined below), the aggregate Consideration is US\$46,000,000 (equivalent to approximately HK\$358,800,000), of which the consideration for the Sale Loan is equivalent to its face value and the consideration for the Sale Shares shall be the balance of the Consideration after deducting the consideration of the Sale Loan. The Consideration shall be satisfied in the following manner:

- (a) as to US\$25,000,000 (equivalent to approximately HK\$195,000,000) (the “**Deposit**”) payable by the Company to Mr. Jiang in cash as deposit and part payment of the Consideration upon signing of the Sale and Purchase Agreement; and
- (b) as to US\$21,000,000 (equivalent to approximately HK\$163,800,000) (the “**Balance**”) payable by the Company to Mr. Jiang in cash upon Completion.

Pursuant to the Sale and Purchase Agreement, Mr. Jiang represents, warrants and undertakes with the Company that the Bolivian Company shall obtain proper legal title and ownership for each of Tres Marias I Lots 1 to 5 (each a “**Relevant Plot**”) (including but not limited to merging the titles of Tres Marias I Lots 1 to 5 into one single registration with the relevant authority under the name of El Arrozal or such other name as may be agreed by the Company) after Completion.

In the event on or before the third anniversary of the Completion Date (or such other date as may be agreed by the Company in writing):

- (a) proper legal title and ownership has been obtained by the Bolivian Company in respect of the Relevant Plot;
- (b) the value of the Relevant Plot as shown in the relevant valuation report (in form and substance satisfactory to the Company, and prepared in compliance with Chapter 5 of the Listing Rules by a firm of independent professional valuers appointed by the Company) is not less than the following amount stated next to the Relevant Plot:

<b>Relevant Plot</b>	<b>Value</b>
Tres Marias I Lot 1	US\$4,410,000
Tres Marias I Lot 2	US\$1,710,000
Tres Marias I Lot 3	US\$1,740,000
Tres Marias I Lot 4	US\$1,680,000
Tres Marias I Lot 5	US\$1,190,000;

- (c) the Company has obtained a Bolivian legal opinion (in form and substance satisfactory to the Company) issued by a firm of Bolivian legal advisers appointed by the Company in relation to the Relevant Plot (including but not limited to the validity of the Bolivian Company's ownership and proper legal title of the Relevant Plot); and
- (d) the warranties given by Mr. Jiang in the Sale and Purchase Agreement relating to the Pengxin Agricultural Group's owned properties when applied to the Relevant Plot shall have remained true and accurate and not misleading in any material respect after the Bolivian Company has become the registered owner of the Relevant Plot with proper legal title,

the Consideration shall be adjusted upward by the following amount corresponding to the Relevant Plot (the "**Adjustment**"):

<b>Relevant Plot</b>	<b>Adjustment</b>
Tres Marias I Lot 1	US\$ 4,410,000
Tres Marias I Lot 2	US\$ 1,710,000
Tres Marias I Lot 3	US\$ 1,740,000
Tres Marias I Lot 4	US\$ 1,680,000
Tres Marias I Lot 5	US\$ 1,190,000

The Consideration and the Adjustment shall be financed by internal resources of the Group and/or other forms of financing (including but not limited to bank borrowing).

As at the date of this announcement, the Company has obtained a draft valuation report on El Recreo and Tres Marias Fundo A prepared by DTZ Cushman & Wakefield Limited (a firm of professional valuers who are independent of the Group) using the direct comparison approach. The value as set out in the aforesaid draft valuation amounted to US\$42,000,000 (equivalent to approximately HK\$327,600,000) (the "**Estimated Value**"). As set out in the paragraph headed "Conditions precedent" below, it is a condition precedent to Completion

that the aggregate value of El Recreo and Tres Marias Fundo A as shown in the valuation report (in form and substance satisfactory to the Company, and prepared in compliance with Chapter 5 of the Listing Rules by a firm of independent professional valuers appointed by the Company) shall not be less than the Estimated Value.

The Consideration was determined between the Company and Mr. Jiang after arm's length negotiations with reference to the unaudited consolidated adjusted net asset value of the Pengxin Agricultural Group (including the Sale Loan) of approximately US\$48,698,000 (equivalent to approximately HK\$379,844,000), calculated as follows:

- (i) the unaudited consolidated net asset value of the Pengxin Agricultural Group (including the Sale Loan) of approximately US\$39,244,000 (equivalent to approximately HK\$306,103,000) as at 31 December 2016, prepared in accordance with International Financial Reporting Standards;

minus

- (ii) the book value of each of Relevant Plot as follows:

<b>Relevant Plot</b>	<b>Approximate book value at 31 December 2016</b>
Tres Marias I Lot 1	US\$3,145,000
Tres Marias I Lot 2	US\$1,168,000
Tres Marias I Lot 3	US\$1,190,000
Tres Marias I Lot 4	US\$1,116,000
Tres Marias I Lot 5	<u>US\$807,000</u>
 Total	 <u><u>US\$7,426,000</u></u>
 plus	 (equivalent to approximately HK\$57,923,000)

- (iii) the increase in fair value of El Recreo and Tres Marias Fundo A of approximately US\$16,880,000 (equivalent to approximately HK\$131,664,000), which is equivalent to the difference between (a) their aggregate book value of approximately US\$25,120,000 (equivalent to approximately HK\$195,936,000) as at 31 December 2016 recorded in the unaudited consolidated financial statements of the Pengxin Agricultural Group as at such date; and (b) the Estimated Value.

The amount of Adjustment was determined between the Company and Mr. Jiang after arm's length negotiations with reference to the aggregate estimated value of the Relevant Plot of US\$10,730,000 (equivalent to approximately HK\$83,694,000) assuming that valid title certificate(s) of the Relevant Plot has been issued and the Relevant Plot is freely transferable.

As set out above, it is also a condition to payment of the Adjustment that the relevant value as set out in the valuation report (to be issued by a firm of independent professional valuers) regarding the Relevant Plot shall not be less than the corresponding amount set out above.

The Board (other than the independent non-executive Directors whose view will be included in the circular of the Company to be published in relation to the Acquisition after being advised by the Independent Financial Adviser) is of the view that the Consideration and the Adjustment are fair and reasonable, and are in the interest of the Group as a whole.

### **Conditions precedent**

Completion shall be conditional upon and subject to:

- (a) 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 GM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (b) Pengxin Agricultural having become the ultimate beneficial owner of 100% of the issued share capital of the Bolivian Company;
- (c) the Company having obtained a Bolivian legal opinion (in form and substance satisfactory to the Company) issued by a firm of Bolivian legal advisers appointed by the Company in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder covering such matters, including but not limited to, (i) the Bolivian Company's due and proper establishment and valid existence under the laws of Bolivia; (ii) the Company is the ultimate beneficial owner of 100% of the issued share capital of the Bolivian Company; (iii) the validity of the legal title of its owned properties; and (iv) any other matter as may be required by the Company;
- (d) all other necessary consents, licences and approvals required to be obtained on the part of Mr. Jiang and the Pengxin Agricultural Group in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remained in full force and effect;
- (e) all other necessary consents, licences and approvals required to be obtained by the Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remained in full force and effect;
- (f) the Company being solely and absolutely satisfied with the results of the due diligence review to be conducted;
- (g) the aggregate value of El Recreo and Tres Marias Fundo A as shown in the valuation report (in form and substance satisfactory to the Company, and prepared in compliance with Chapter 5 of the Listing Rules by a firm of independent professional valuers appointed by the Company) being not less than US\$42,000,000 (equivalent to approximately HK\$327,600,000);

- (h) the warranties given by Mr. Jiang in the Sale and Purchase Agreement remaining true and accurate and not misleading in any material respect at Completion as if repeated at Completion and at all times between the date of the Sale and Purchase Agreement and Completion, and no undertakings contained thereby having been materially breached by Mr. Jiang prior to Completion; and
- (i) there being no material adverse change to the Pengxin Agricultural Group (whether in respect of its operation, financial condition or prospects, or otherwise).

None of the conditions precedent above can be waived. If any of the above conditions precedent has not been satisfied on or before 31 December 2017 or such later date as the Company may agree (the “**Long Stop Date**”), or if the Company has served a notice to Mr. Jiang stating it is not satisfied with the results of the due diligence review, the Sale and Purchase Agreement shall, subject to refund of the Deposit, cease and determine. Mr. Jiang shall, within five business days from the expiry of the Long Stop Date or the date of the Company’s notice stating it is not satisfied with the results of the due diligence review, refund the Deposit to the Company. Subject to the aforesaid refund and certain surviving provisions, neither party shall have any obligations and liabilities towards each other under the Sale and Purchase Agreement, save for any antecedent breaches of the terms thereof.

If the conditions precedent above have been fulfilled on or before the Long Stop Date, but either the Company or Mr. Jiang shall fail to complete the sale and purchase of the Sale Shares and the Sale Loan, the non-defaulting party may forthwith determine the Sale and Purchase Agreement by giving notice of termination in writing to the defaulting party to such effect, in which event Mr. Jiang shall forthwith refund to the Company the Deposit. Thereafter, neither party shall have any obligations and liabilities hereunder nor take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms hereof.

## **Completion**

Completion shall take place on the fifth business day after the fulfilment of the conditions precedent set out in sub-paragraphs (a) to (g) in the paragraph headed “Conditions Precedent” above or such other date as the Company may agree. The conditions precedent set out in sub-paragraphs (h) and (i) shall remain fulfilled at Completion.

Upon Completion, Pengxin Agricultural will become a wholly-owned subsidiary of the Company and results of the Pengxin Agricultural Group will be consolidated into the financial statements of the Company after Completion.

## **INFORMATION OF PENGXIN AGRICULTURAL GROUP**

Pengxin Agricultural is a company incorporated in the BVI in 2012 with limited liability and is legally and beneficially owned by Mr. Jiang as at the date of this announcement. It together with its four wholly-owned subsidiaries are in aggregate interested in approximately 99.99% of the issued share capital of the Bolivian Company as at the date of this announcement. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the remaining shareholding interest of the Bolivian

Company are held by parties independent of the Group and its connected persons. Prior to Completion, Pengxin Agricultural together with its four wholly-owned subsidiaries shall in aggregate be interested in 100% of the issued share capital of the Bolivian Company.

The Bolivian Company is a company established in Bolivia on 2005 and is engaged in agricultural farming, being the cultivation and sale of soybean, corn and rice via operation of the Farm. The Farm is being operated on seven agricultural plots of land, namely:

- (i) El Recreo;
- (ii) Tres Marias Fundo A;
- (iii) Tres Marias I Lot 1;
- (iv) Tres Marias I Lot 2;
- (v) Tres Marias I Lot 3;
- (vi) Tres Marias I Lot 4;
- (vii) Tres Marias I Lot 5,

all located in Obispo Santisteban Province, Santa Cruz, Bolivia. A total of approximately 70.70% of the site area of these plots of land are suitable for cultivation. Set out below is information of such seven agricultural plots of land according to environment stratification analysis:

<b>Plot</b>	<b>Agricultural land suitable for cultivation of corn and soybean (hectares)</b>	<b>Agricultural land suitable for cultivation of rice by flooding (hectares)</b>	<b>Native forest (hectares)</b>	<b>Streams (hectares)</b>	<b>Total site area (hectares)</b>
1. El Recreo	2,145.35	523.89	2,116.12	77.87	4,863.23
2. Tres Marias Fundo A	3,403.03	569.13	864.03	36.5	4,872.69
3. Tres Marias I Lot 1	540.54	306.31	352.8	60.35	1,260.00
4. Tres Marias I Lot 2	304.46	36.41	34.13	—	375.00
5. Tres Marias I Lot 3	309.00	38.55	27.45	—	375.00
6. Tres Marias I Lot 4	293.03	47.80	32.18	1.99	375.00
7. Tres Marias I Lot 5	205.71	39.63	23.02	4.39	272.75
<b>Total</b>	<b>7,201.12</b>	<b>1,561.72</b>	<b>3,449.73</b>	<b>181.10</b>	<b>12,393.67</b>



As at the date of this announcement, details of the Bolivian Company's ownership of and the legal title of such seven agricultural plots of land are as follows:

<b>Plot</b>	<b>Registration number</b>	<b>Name of owner</b>
1. El Recreo	7.10.5.01.0002072	The Bolivian Company
2. Tres Marias Fundo A	7.10.5.01.0002073	The Bolivian Company
3. Tres Marias I Lot 1	7.10.301.0003237	The Bolivian Company
4. Tres Marias I Lot 2	7.10.301.0003236	The Bolivian Company
5. Tres Marias I Lot 3	7.10.301.0003593	The Bolivian Company
6. Tres Marias I Lot 4	7.10.301.0003594	The Bolivian Company
7. Tres Marias I Lot 5	—	—

As advised by the Bolivian legal advisers to the Company,

- (i) the Bolivian Company legally owns and has obtained proper legal title to El Recreo and Tres Marias Fundo A;
- (ii) for Tres Marias I Lots 1 to 4, the Bolivian Company legally owns such plots but has not obtained proper legal title to them;
- (iii) for Tres Marias I Lot 5, the Bolivian Company has purchased such plot by signing a deed in 2008, but such plot has not yet been registered under the name of the Bolivian Company, nor has it obtained proper legal title to it;
- (iv) once legal title has been declared in favour of the Bolivian Company in respect of Tres Marias Lots I 1 to 5, they will merge into one single registration with the relevant real estate authority of Bolivia under the name of El Arrozal.

The Farm is currently one of the major farms engaged in the plantation of soybean in the region. As at the date of the Sale and Purchase Agreement, the Bolivian Company had approximately 50 staff. The business model of the Bolivian Company is focused on (i) a low-cost production producing one key agricultural product; (ii) transforming land to improve productivity; and (iii) promoting sustainable agricultural production and development. The Bolivian Company owns the facilities on the Farm and has the resources to store and condition all crops it harvests. It does not rely on third parties to condition the crops for sale. For each of the three years ended 31 December 2016, approximately 91%, 85% and 92% of revenue was contributed by the sale of soybean. All of the crops have been sold to local market through sale agencies. The major costs consist of seeds, pesticides, fertilizers, reaping cost, as well as repair and maintenance of machinery. Most of the raw materials are provided by local suppliers. For the year ended 31 December 2016, the unaudited gross profit margin of the Bolivian Company reached approximately 16% and the unaudited net profit margin before extraordinary items was approximately 11%.

Set out below is a summary of the unaudited consolidated financial information of Pengxin Agricultural for each of the three years ended 31 December 2016, which was prepared in accordance with the International Financial Reporting Standards:

	<b>For the year ended 31 December 2014</b>	<b>For the year ended 31 December 2015</b>	<b>For the year ended 31 December 2016</b>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Revenue	8,977	4,886	10,230
Profit (loss) before and after taxation	1,701	(405)	1,151

The unaudited total assets and net assets value of Pengxin Agricultural Group as at 31 December 2016 were approximately US\$42,209,000 (equivalent to approximately HK\$329,230,000) and approximately US\$11,027,000 (equivalent to approximately HK\$86,011,000) respectively.

The Group has made borrowings from Pengxin Agricultural Group. As at the date of this announcement, the amount owed by the Group to Pengxin Agricultural Group amounted to approximately US\$2,663,000 (equivalent to approximately HK\$20,771,000).

## **REASONS FOR THE ACQUISITION**

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

The Group is always looking for suitable investment opportunities to diversify the existing businesses into new lines of businesses with growth potential.

As the world population continues to grow, urbanisation rates in most countries also accelerate as a result, which increase the demand for both natural resources and food products at the same time. The Company is optimistic about the prospects in the agricultural industry and intends to further develop its agricultural business through merger and acquisition later on. Upon obtaining ownership and proper legal title, the Bolivian Company shall be entitled to the property right of approximately 12,400 hectares of farmland with an estimated appraisal value amounting to approximately US\$52,730,000 (equivalent to approximately HK\$411,294,000). Currently, the main croppers of the Farm is soybean. The maximum capacity per annum of the Farm can reach 40,000 tonnes as its location is subject to excellent weather conditions which allows double or even triple harvests. The Company is of the view that an investment in the Bolivian Company will not only facilitate the Group's expansion into the agricultural industry, but also diversify the Group's current operations and minimize the investment risks in relation to its existing businesses. In addition, the Bolivian Company has been under operation for over ten years, and from which it has been able to derive stable cash flow. Given the Bolivian Company has been well operated under a team of experienced staff with sufficient facilities and equipment, it is expected that subsequent to Completion, the Bolivian Company will provide steady income and cash flow to the Group immediately.

Accordingly, the Directors (excluding the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios in respect of the Acquisition are above 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Jiang, an executive Director and the chairman of the Company, is interested in 1,742,300,000 Shares, representing approximately 28.66% of the issued share capital of the Company. Accordingly, Mr. Jiang is a connected person of the Company and the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules, subject to the reporting, announcement and the Independent Shareholders' approval requirements.

An Independent Board Committee has been formed to advise the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company will seek the Independent Shareholders' approval of the Sale and Purchase Agreement and the transactions contemplated thereunder at the GM by way of poll whereby Mr. Jiang and his associates shall abstain from voting.

## **GENERAL**

A circular containing, among other things, (i) details of the Acquisition; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the GM, will be despatched to the Shareholders on or before 30 September 2017 as additional time is required for the preparation of the relevant information, including but not limited to the accountants' report of the Pengxin Agricultural Group, for inclusion in the circular.

## **DEFINITIONS**

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

“Acquisition”	the proposed acquisition of the Sale Shares and the Sale Loan by the Company from Mr. Jiang pursuant to the Sale and Purchase Agreement
“Adjustment”	has the meaning ascribed to it in the paragraph headed “The Consideration and the Adjustment” in the section headed “The Sale and Purchase Agreement” of this announcement

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Bolivia”	the Plurinational State of Bolivia
“Bolivian Company”	Empresa Agropecuaria Novagro S.A.
“BVI”	the British Virgin Islands
“Company”	EverChina Int’l Holdings Company Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration of US\$46,000,000 (equivalent to approximately HK\$358,800,000) for the sale and purchase of the Sale Shares and the Sale Loan under the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“El Recreo”	the agricultural plot of land located at Obispo Santisteban Province, Santa Cruz, Bolivia with an aggregate site area of approximately 4,863.23 hectares
“Farm”	the agricultural farm operated by the Bolivian Company on El Recreo, Tres Marias Fundo A and Tres Marias I Lots 1 to 5 for cultivation of soybean, corn and rice with the aggregate site area for agricultural land use of not less than 8,700 hectares according to environment stratification analysis
“GM”	the general meeting of the Company to be convened to be held to approve the Sale and Purchase Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board (consisting of all independent non-executive Directors) formed to consider the Sale and Purchase Agreement and the transactions contemplated thereunder

“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Shareholders and the Independent Board Committee in relation to the Acquisition
“Independent Shareholders”	Shareholders other than Mr. Jiang and his associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Jiang”	Mr. Jiang Zhaobai, a substantial Shareholder, an executive Director and the chairman of the Company
“Pengxin Agricultural”	Pengxin Agricultural Holdings Company Limited
“Pengxin Agricultural Group”	Pengxin Agricultural and its subsidiaries, including the Bolivian Company
“PRC”	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 June 2017 entered into between the Company and Mr. Jiang in relation to the Acquisition
“Sale Loan”	the aggregate sum due and owing by Pengxin Agricultural to Mr. Jiang immediately prior to Completion
“Sale Shares”	100 shares of US\$1.00 each in the capital of Pengxin Agricultural, being the entire issued share capital of Pengxin Agricultural as at the date of this announcement
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tres Marias Fundo A”	the agricultural plot of land located at Obispo Santisteban Province, Santa Cruz, Bolivia with an aggregate site area of approximately 4,872.69 hectares
“Tres Marias I Lot 1”	the agricultural plot located at Obispo Santisteban Province, Santa Cruz, Bolivia with an aggregate site area of approximately 1,260 hectares
“Tres Marias I Lot 2”	the agricultural plot located at Obispo Santisteban Province, Santa Cruz, Bolivia with an aggregate site area of approximately 375 hectares

“Tres Marias I Lot 3”	the agricultural plot located at Obispo Santisteban Province, Santa Cruz, Bolivia with an aggregate site area of approximately 375 hectares
“Tres Marias I Lot 4”	the agricultural plot located at Obispo Santisteban Province, Santa Cruz, Bolivia with an aggregate site area of approximately 375 hectares
“Tres Marias I Lot 5”	the agricultural plot located at Obispo Santisteban Province, Santa Cruz, Bolivia with an aggregate site area of approximately 272.75 hectares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 13 June 2017

*For the purpose of this announcement, all amounts denominated in US\$ has been translated (for information only) into HK\$ using the exchange rate of US\$1: HK\$7.8. No representation is made that any amounts in US\$ or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.*

*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.*