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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)

CONNECTED TRANSACTION FORMATION OF A JOINT VENTURE COMPANY

THE JV AGREEMENT

The Board announces that on 28 May 2024, Tianfu (Shanghai), an indirect wholly-owned subsidiary of the Company entered into the JV Agreement with Shanghai Pengqirun, Shanghai Rongze and Shanghai Pengchirun for the formation of the JV Company. Pursuant to the JV Agreement, the JV Company shall be, after its formation be owned as to 34% by Tianfu (Shanghai), 20% by Shanghai Pengqirun (Limited Partnership), 16% by Shanghai Rongze and 30% by the Shanghai Pengchirun (Limited Partnership). The registered capital of the JV Company shall be RMB20,000,000 (equivalent to approximately HK\$21,400,000).

LISTING RULES IMPLICATION

Mr. Zhou is an executive Director of the Company. As at the date of this announcement, Mr. Zhou is directly interested in 33% issued share capital of Shanghai Pengchirun (Limited Partnership). Accordingly, Shanghai Pengchirun (Limited Partnership) is regarded as an associate of Mr. Zhou and thus a connected person of the Company under Chapter 14A of the Listing Rules. The entering into of the JV Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratio (as defined in the Listing Rules) in respect of the JV Agreement exceeds 0.1% but is less than 5%, the JV Agreement and the transactions contemplated thereunder are subject to reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 28 May 2024, Tianfu (Shanghai), an indirect wholly-owned subsidiary of the Company entered into the JV Agreement with Shanghai Pengqirun (Limited Partnership), Shanghai Rongze and Shanghai Pengchirun (Limited Partnership) for the formation of the JV Company.

THE JV AGREEMENT

Date: 28 May 2024

Intended location of the JV Company: Shanghai, PRC

Parties and shareholding Ratio:

- (i) Tianfu (Shanghai) (34%);
- (ii) Shanghai Pengqirun (Limited Partnership) (20%);
- (iii) Shanghai Rongze (16%); and
- (iv) Shanghai Pengchirun (Limited Partnership) (30%).

As at the date of this announcement, Mr. Zhou Zhizhu is an executive Director of the Company and is directly interested in 33% issued share capital of Shanghai Pengchirun (Limited Partnership). Accordingly, Shanghai Pengchirun (Limited Partnership) is regarded as an associate of Mr. Zhou and thus a connected person of the Company under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Shanghai Pengqirun (Limited Partnership) and its ultimate beneficial owner and Shanghai Rongze and its ultimate beneficial owner are third party independent of the Company and its connected persons.

Scope of business

Pursuant to the JV Agreement, subject to the approval by the relevant PRC authorities, the scope of business of the JV Company shall be engaged in development, construction, operation, and realization of renewable energy projects including but not limited to EPC development, asset management, asset transfer and realisation, fund management, etc., with domestic and international linkage, focusing on overseas markets.

Registered capital and capital contribution

Pursuant to the JV Agreement, the registered capital of the JV Company shall be RMB20,000,000 (equivalent to approximately HK\$21,400,000), which shall be contributed by Tianfu (Shanghai) and the JV Partners as follows:

Name of shareholder	Form of contribution	Amount	Equity interest in the JV Company
Tianfu (Shanghai)	Cash	RMB6,800,000 (equivalent to approximately HK\$7,276,000)	34%
Shanghai Pengqirun (Limited Partnership)	Cash	RMB4,000,000 (equivalent to approximately HK\$4,280,000)	20%
Shanghai Rongze	Cash	RMB3,200,000 (equivalent to approximately HK\$3,424,000)	16%
Shanghai Pengchirun (Limited Partnership)	Cash	RMB6,000,000 (equivalent to approximately HK\$6,420,000)	30%
	Total:	RMB20,000,000 (equivalent to approximately HK\$21,400,000)	100%

Tianfu (Shanghai), Shanghai Pengqirun (Limited Partnership) and Shanghai Rongze shall pay the contributions upon the JV Company is formally established.

Shanghai Pengchirun (Limited Partnership) shall pay (i) the first contribution of RMB3,000,000 (equivalent to approximately HK\$3,210,000) within one year from the date of the JV Agreement; and (ii) the remaining contribution of RMB3,000,000 (equivalent to approximately HK\$3,210,000) within two years from the date of the JV Agreement.

The capital contribution of RMB6,800,000 (equivalent to approximately HK\$7,276,000) by Tianfu (Shanghai) will be financed by internal resources of the Group. Save as disclosed, Tianfu (Shanghai) has no other capital commitment to the JV Company as at the date of this announcement.

The amount of capital contribution was determined after arm's length negotiations between Tianfu (Shanghai) and the JV Partners, taking into account the preliminary development plans of the JV Company.

Term

The JV Company shall have a term of 20 years from the date of issue of the business licence of the JV Company.

Board composition

The board of directors of the JV Company shall comprise of five directors, directors shall be nominated by shareholders of the JV Company and elected by shareholders on the shareholders' meeting. Tianfu (Shanghai) shall nominate two directors. Shanghai Pengqirun (Limited Partnership), Shanghai Rongze and Shanghai Pengchirun (Limited Partnership) shall each nominate one director, respectively. The chairman of the board of directors of the JV Company shall be the director jointly nominated by Tianfun (Shanghai) and Shanghai Pengchirun (Limited Partnership).

Supervisor

The JV Company shall have one supervisor whom shall be nominated by Shanghai Pengchirun (Limited Partnership) and elected by the shareholders of the JV Company at the shareholders' meeting.

Profit sharing

It was mutually agreed by all of the JV Partners that part of the distributable profit shall be used as incentive bonus to the management team of the JV Company and each of the shareholders of the JV Company shall be entitled to share the distributable profit of the JV Company in proportion to their capital contributions in the JV Company.

Transfer of equity interest

Subject to the terms of the JV Agreement, without prior written consent of the each of the JV Partner, the JV partner shall not transfer or otherwise dispose of, directly or indirectly, all or part of its equity interest in the JV Company, or charge, pledge or otherwise create encumbrances thereon.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE JV AGREEMENT

The Company is looking for new investment and business opportunities. Renewable energy business is environmentally friendly and a sector encouraged by the central government. Through the formation of the JV Company, the Group can participate and organise a team with experience to develop the renewable energy business.

Upon completion of the formation of the JV Company, the Company will hold 34% equity interest in the JV Company and the JV Company will be an associate investment of the Company. The financial results of the JV Company will not be consolidated into the consolidated financial statements of the Group.

The Directors (excluding the Director(s) who is/are required to abstain from voting, but including the independent non-executive Directors) consider the terms of the JV Agreement are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE JV PARTNERS

The Group is principally engaged in the agricultural operation, property investment operation and nature resources operation.

Tianfu (Shanghai) is a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company and principally engaged in hotel management.

Shanghai Pengqirun (Limited Partnership) is a limited partnership enterprise established under the laws of the PRC and principally engaged in corporate management, provision of solar energy and wind power energy technical services and promotion of carbon emissions, carbon conversion, carbon capture and carbon sequestration technology etc. To the best of the knowledge of the Directors, Shanghai Pengqirun is owned as to 99% by Mr. Wang Jian as at the date of this announcement. Mr. Wang Jian is a PRC resident. To the best of the knowledge of the Directors, Mr. Wang Jian is a professional investor.

Shanghai Rongze is a limited liability company established under the laws of the PRC and principally engaged in corporate management advisory and trading of various products including but not limited to daily necessities items, packing material and electronic products etc.. To the best of the knowledge of the Directors, Shanghai Rongze is owned as to 100% by Mr. Geng Yong as at the date of this announcement. Mr. Geng Yong is a PRC resident. To the best of the knowledge of the Directors, Mr. Geng Yong is a professional investor.

Shanghai Pengchirun (Limited Partnership) is a limited partnership enterprise established under the laws of the PRC and principally engaged in corporate management, provision of solar energy and wind power energy technical services and promotion of carbon emissions, carbon conversion, carbon capture and carbon sequestration technology etc. To the best of the knowledge of the Directors, Shanghai Pengchirun is owned as to 33% by Mr. Zhou, 20% by Li Bo, 17% by Gong Haoran, 15% by Wang Ming and 14.83% by Jin Zhemin respectively. Mr. Zhou, Li Bo and Gong Haoran will be a member of the management team of the JV Company. Li Bo, Gong Haoran, Wang Ming and Jin Zhemin are third party independent of the Company and its connected persons.

LISTING RULES IMPLICATION

Mr. Zhou is an executive Director of the Company. As at the date of this announcement, Mr. Zhou is directly interested in 33% issued share capital of Shanghai Pengchirun (Limited Partnership). Accordingly, Shanghai Pengchirun (Limited Partnership) is regarded as an associate of Mr. Zhou and thus a connected person of the Company under Chapter 14A of the Listing Rules. The entering into of the JV Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratio (as defined in the Listing Rules) in respect of the JV Agreement exceeds 0.1% but is less than 5%, the JV Agreement and the transactions contemplated thereunder are subject to reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since Mr. Zhou is considered to have a material interest in the JV Agreement, he has abstained from voting at the Board meeting approving the JV Agreement. Save as disclosed above, no other Director has a material interest in the JV Agreement, and therefore no other Directors are required to abstain from voting on the Board resolution in relation to the JV Agreement.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“JV Agreement”	the joint venture agreement dated 28 May 2024 entered into between Tianfu (Shanghai) and Shanghai Pengqirun (Limited Partnership), Shanghai Rongze and Shanghai Pengchirun (Limited Partnership) in relation to the formation of the JV Company
“JV Company”	Shanghai PengRun New Energy Technology Company Limited* (上海鵬潤新能源科技有限公司), a limited liability company to be established in the PRC pursuant to the terms of the JV Agreement
“JV Partners”	Shanghai Pengqirun (Limited Partnership), Shanghai Rongze and Shanghai Pengchirun (Limited Partnership)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Mr. Zhou”	Mr. Zhou Zhizhu (an executive Director and the Co-Chief Executive Officer of the Company)

“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)
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Pengqirun (Limited Partnership)”	Shanghai Pengqirun Management Consultancy Partnership Enterprise (Limited Partnership)* (上海鵬啟潤管理顧問合夥企業 (有限合夥)), a limited partnership enterprise established under the laws of the PRC
“Shanghai Rongze”	Shanghai Rongze Commercial Trading Company Limited* (上海榕澤商貿有限公司), a limited liability company established under the laws of the PRC
“Shanghai Pengchirun (Limited Partnership)”	Shanghai Pengchirun Management Consultancy Partnership Enterprise (Limited Partnership)* (上海鵬馳潤管理顧問合夥企業 (有限合夥)), a limited partnership enterprise established under the laws of the PRC
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianfu (Shanghai)”	Tianfu (Shanghai) Hotel Management Company Limited* (天富 (上海) 酒店管理有限公司), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“%”	per cent

For the purpose of this announcement, the conversion rate of RMB to HK\$ is set at the rate of RMB1 for HK\$1.07.

** For identification purpose only*

By Order of the Board
EverChina Int’l Holdings Company Limited
Chen Yi
Chief Executive Officer and Executive Director

Hong Kong, 28 May 2024

As at the date of this announcement, the executive Directors are Mr. Chen Yi, Ethan, Mr. Jiang Xiao Heng Jason and Mr. Zhou Zhizhu; the non-executive Director is Mr. Jiang Zhaobai (Chairman) and the independent non-executive Directors are Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Mr. Ng Ge Bun.