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EVERGREEN INTERNATIONAL HOLDINGS LIMITED

長興國際（集團）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 238)

DISCLOSEABLE TRANSACTION LIMITED PARTNERSHIP AGREEMENT FOR THE ESTABLISHMENT OF INVESTMENT FUND

ESTABLISHMENT OF INVESTMENT FUND

The Board is pleased to announce that on 4 March 2016 (after trading hours), Guangzhou Changzhuxing, an indirect wholly-owned subsidiary of the Company, entered into a Limited Partnership Agreement with Fosun Evergreen, Ellassay Fashion, ZMF and Best Pacific Dongguan in respect of, among other matters, the establishment of the Investment Fund in the PRC and the subscription of interest therein. Pursuant to the Limited Partnership Agreement, the total capital commitment to the Investment Fund is RMB600 million, among which, RMB6 million is to be contributed by Fosun Evergreen as the General Partner; RMB360 million, RMB96 million, RMB78 million and RMB60 million are to be contributed by Ellassay Fashion, Guangzhou Changzhuxing, ZMF and Best Pacific Dongguan respectively as Limited Partners.

As the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Transaction are more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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THE LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are as follows:

Date:	4 March 2016
Name of the Investment Fund:	深圳前海復星長歌時尚產業投資基金(有限合夥) (Shenzhen Fosun Ellassay Fashion Fund LLP*)
Parties:	General Partner: Fosun Evergreen; Limited Partners: (i) Ellassay Fashion; (ii) Guangzhou Changzhuxing, an indirect wholly-owned subsidiary of the Company; (iii) ZMF; and (iv) Best Pacific Dongguan.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Fosun Evergreen, Ellassay Fashion, ZMF and Best Pacific Dongguan and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Purpose of the Investment Fund and methods of investment:	To invest in, among others, lifestyle and related internet enterprises projects.
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Investment methods include, but are not limited to, equity investment involving equity interests, ordinary, preference shares, convertible preference shares, options or in other legally permissible forms.

Term of operation of the Investment Fund:	5 years from the date of issuance of the business licence of the Investment Fund, comprising an investment period of three years followed by a realisation period of two years. The General Partner may extend such term of operation by 2 years subject to the approval of the Partners by special resolution.
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Capital contribution:

The total capital commitment to the Investment Fund under the Limited Partnership Agreement is RMB600 million to be contributed as follows:

	Committed capital contribution amount (RMB million)	Percentage (%)
Fosun Evergreen	6	1%
Ellassay Fashion	360	60%
Guangzhou Changzhuxing	96	16%
ZMF	78	13%
Best Pacific Dongguan	<u>60</u>	<u>10%</u>
Total	<u><u>600</u></u>	<u><u>100%</u></u>

The size of the Investment Fund and the capital contribution of each Partner are determined after arm's length negotiations between the General Partner and the Limited Partners with reference to the anticipated capital requirements of the Investment Fund.

Payment of the capital contributions:

The Partners shall make their respective capital contributions to the Investment Fund up to their respective committed amounts during the investment period.

Each Partner shall make an initial capital contribution to the Investment Fund equal to 30% of its commitment in cash, within 10 business days (or such longer period as determined by the General Partner) of a written notice issued by the General Partner, and in any case no later than 9 April 2016.

Subsequent capital contributions shall be made by the Partners pro-rata to their respective capital commitments as and when called upon by the General Partner with at least 30 business days' advance notice in writing during the investment period.

The Group will finance its capital contributions to the Investment Fund through its internal resources.

Manager of the Investment Fund and annual management fee:

The General Partner shall be the initial Manager of the Investment Fund. The Investment Fund shall pay the General Partner an annual management fee at 2% per annum of the aggregate capital commitments of all Limited Partners.

Management and operation of the Investment Fund:

The General Partner shall have full control over the management, operation and decision making of the business and affairs of the Investment Fund, and shall bear unlimited liability for the liabilities of the Investment Fund. The Limited Partners shall neither participate in the operation of the Investment Fund nor act on behalf of the Investment Fund, and their liability for the liabilities of the Investment Fund shall be limited to their respective capital commitments.

Notwithstanding the above, certain matters of the Investment Fund require the approval of the Partners by special resolution, such as the appointment of a third party other than the Partners to provide management and operation services to the Investment Fund, and to initiate or defend legal proceedings or arbitration involving the Investment Fund, etc.

Change of General Partner:

Limited Partner(s) holding at least 75% of the total capital contribution in value may elect another party to act as General Partner if the Investment Fund incurs loss due to the intentional or material fault, breach of the Partnership Law or any of the material obligations under the Limited Partnership Agreement on the part of the original General Partner.

Investment committees:

The Investment Fund shall make investment decisions through the (i) investment establishment committee, (ii) preliminary investment committee and (iii) investment decision committee.

The General Partner will appoint the members to the investment establishment committee and the investment decision committee.

The investment establishment committee will screen, select and propose any potential investment project to the preliminary investment committee.

The preliminary investment committee will be made up of three members, each to be appointed by Guangzhou Changzhuxing, ZMF and Ellassay Fashion respectively. A potential investment project approved by at least two of the committee members shall be proposed to the investment decision committee for final decision.

The investment decision committee will deliberate and conclude the investment decision-making process.

Realisation of investment projects:

The investment projects of the Investment Fund shall be realised in the following manner:

- (i) the initial public offering of the projects;
- (ii) Ellassay Fashion, Guangzhou Changzhuxing or other third parties may acquire the investment projects, provided that Ellassay Fashion shall have first priority in acquiring the investment projects under the same terms and conditions and the price shall be determined by reference to the price offered by a third party. Any investment project recommended by Ellassay Fashion or Guangzhou Changzhuxing that is considered by Fosun International not to be suitable for an initial public offering shall be acquired by Ellassay Fashion or Guangzhou Changzhuxing (as the case may be) at a price based on a valuation of the investment project equal to the principal amount originally invested in the project by the Investment Fund plus an interest calculated based on an internal rate of return of 12% per annum accrued from the date of the initial investment up to the date of return of such investment; or
- (iii) the original owner(s) of the projects may repurchase the shares or equity interest held by the Investment Fund according to the terms of the original sale and purchase agreements between the owner(s) and the Investment Fund.

Distribution of return: Subject to the terms of the Limited Partnership Agreement, the investment return shall be distributed in proportion to the capital contribution made by each Partner, and shall be distributed in the following order:

- (i) firstly, to the Limited Partners until they have received all their capital contributions; and
- (ii) secondly, to the General Partner until it has received all its capital contributions; and
- (iii) thirdly, to each Limited Partner an amount equal to an internal rate of return of 7% per annum on its paid capital contributions; and
- (iv) finally, in respect of any surplus, 20% to the General Partner as a performance reward and the balance 80% amongst all Partners pro-rata to the capital contributions respectively made by them.

Fees: The Investment Fund shall bear all expenses for its establishment, operation, termination, dissolution and liquidation.

Transfer of the interest of the Investment Fund: The Limited Partners are not generally permitted to sell, assign, conveyance, pledge, mortgage, charge, encumbrance, securitise, hypothecate, or otherwise dispose their interest in the Investment Fund without the prior written consent of the General Partner.

INFORMATION OF THE INVESTMENT FUND AND THE PARTIES

Partners

ZMF is a fund established in the PRC and controlled by Fosun International (the issued shares of which are listed on the Main Board of the Stock Exchange under stock code: 656). The principal businesses of Fosun International include integrated finance (insurance, investment, asset management and banking and other financial business) and industrial operations (health, happy lifestyle, steel, property development and sales and resources).

Ellassay Fashion is a company incorporated in the PRC whose issued shares are listed on the Main Board of A share market of the Shanghai Stock Exchange under stock code: 603808. The principal businesses of Ellassay Fashion are the manufacturing and trading of women's clothing and clothing accessories.

Fosun Evergreen is a limited partnership incorporated in the PRC and for the purpose of managing the Investment Fund. It is jointly controlled by Fosun International and Ellassay Fashion.

Best Pacific Dongguan is an indirect wholly-owned subsidiary of Best Pacific International Holdings Limited (a company incorporated in the Cayman Islands whose issued shares are listed on the Main Board of the Stock Exchange under stock code: 2111). The principal businesses of Best Pacific International Holdings Limited are the manufacturing and trading of elastic fabric, elastic webbing and lace.

Investment Fund

As at the date of this announcement, the Investment Fund does not have any investments, assets or liabilities, and has not recorded any income or expenses. The Company will provide relevant disclosures on the nature and status of the material investment(s) made by the Investment Fund in its interim and/or annual reports as and when appropriate.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT

The Group is principally engaged in the manufacture and trading of clothing and clothing accessories.

The Board has been continuously and actively looking for new business opportunities in the apparel, accessory products and online business industries for development and expansion. The Board believes that the establishment of the Investment Fund and the subscription of interest therein under the Limited Partnership Agreement will provide a platform for the Group to leverage the existing business experience, resources and network of Fosun International to explore new business opportunities for acquisitions, and also minimise the investment risks of the Group. The partnership with Fosun International, Ellassay Fashion and Best Pacific International Holdings Limited will also foster a business alliance for the Group in its future development and sustainable growth and the Company has been guaranteed to be the exclusive representative in the menswear industry within the business alliance.

It is the objective that the fund size of the Investment Fund shall reach RMB600 million and the General Partner is responsible for sourcing additional funds depending on the size of the investment project(s). The Group has the right to participate in any further fund raising by the Investment Fund without any commitment. In this regard, further announcement will be made by the Company as and when required under the Listing Rules.

The Directors consider that the terms of the Limited Partnership Agreement and the Transaction, which were negotiated on an arm's length basis among the parties thereto, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Transaction are more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Best Pacific Dongguan”	東莞超盈紡織有限公司 (Dongguan Best Pacific Textiles Co., Ltd.*), a limited liability company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of Best Pacific International Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2111);
“Board”	the board of Directors;
“business day”	any day other than a statutory holiday in the PRC;
“Company”	Evergreen International Holdings Limited, a company incorporated in the Cayman Islands on 26 June 2008 as an exempted company with limited liability under the Companies Law, Cap.22 of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code:238);
“connected person”	Shall have the same meaning as defined in the Listing Rules;
“Directors”	the directors of the Company from time to time;
“Ellassay Fashion”	深圳歌力思服飾股份有限公司 (Shenzhen Ellassay Fashion Co., Ltd.*), a limited liability company incorporated under the laws of the PRC, the shares of which are listed on the Main Board of A share market of the Shanghai Stock Exchange (Stock Code: 603808);
“Fosun Evergreen”	亞東星尚長歌投資管理有限公司 (Yadong Fosun Evergreen Investment Management Co., Ltd.*), a limited liability company incorporated under the laws of the PRC and indirectly owned by Fosun International and Ellassay Fashion;
“Fosun International”	Fosun International Limited, a limited liability company incorporated under the laws of Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 656);
“Guangzhou Changzhuxing”	廣州市長珠興貿易有限公司 (Guangzhou Changzhuxing Trading Co., Ltd.*), a limited liability company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Group”	the Company and its subsidiaries;
“General Partner”	the general partner of the Investment Fund, being Fosun Evergreen;
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, are third parties independent of the Company and its connected persons;
“Investment Fund”	深圳前海復星長歌時尚產業投資基金(有限合夥) (Shenzhen Fosun Ellassay Fashion Fund LLP*), a limited partnership to be established and registered under the laws of PRC pursuant to the Limited Partnership Agreement;
“Limited Partners”	the limited partners of the Investment Fund, being Ellassay Fashion, Guangzhou Changzhuxing, ZMF and Best Pacific Dongguan;
“Limited Partnership Agreement”	the limited partnership agreement entered into by Fosun Evergreen, Ellassay Fashion, Guangzhou Changzhuxing, ZMF and Best Pacific Dongguan on 4 March 2016 in respect of the establishment of the Investment Fund in the PRC and the subscription of interest therein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Manager”	the manager of the Investment Fund, the initial Manager being the General Partner under the Limited Partnership Agreement;
“Partner(s)”	the partner(s) of the Investment Fund, including the General Partner and the Limited Partners;
“Partnership Law”	中華人民共和國合夥企業法 (the Law of the People’s Republic of China on Partnership Enterprises);
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;

“Share”	(an) ordinary share(s) of HK\$0.001 each (or such other amount as such ordinary share(s) may be divided or consolidated or converted into) in the share capital of the Company;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Transaction”	the entering into of the Limited Partnership Agreement and the transactions contemplated thereunder;
“ZMF”	杭州浙商成長股權投資基金合夥企業(有限合夥) (Hangzhou Zhejiang Momentum Fund LLP*), a limited partnership established and registered under the laws of the PRC and controlled by Fosun International;
“%”	Per cent

By Order of the Board
Evergreen International Holdings Limited
Chan Yuk Ming
Chairman

Hong Kong, 4 March 2016

As at the date of this announcement, the Board comprises Mr Chan Yuk Ming, Mr Chen Yunan and Mr Chen Minwen as the executive directors; and Mr Fong Wo, Felix, Mr Kwok Chi Sun, Vincent and Mr Cheng King Hoi, Andrew as the independent non-executive directors.

* *for identification purpose*