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Xiezhong International Holdings Limited
協眾國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3663)

SUPPLEMENTAL ANNOUNCEMENT
FULFILMENT OF THE 2019 PERFORMANCE GUARANTEE
RELATING TO THE ACQUISITION OF SINO EVERGREEN
INTERNATIONAL LIMITED AND JIN CHENG AUTO PARTS
(HONG KONG) LTD.

References are made to the circular of the Company dated 11 December 2018 (the “**Circular**”) and the supplemental announcement of the Company dated 11 September 2019 in relation to, amongst others, (i) the acquisition of Sino Evergreen International Limited and Jin Cheng Auto Parts (Hong Kong) Ltd.; and (ii) the fulfilment of the 2018 Performance Guarantee. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular. This announcement is supplemental to and should be read in conjunction with the Circular.

FULFILMENT OF THE 2019 PERFORMANCE GUARANTEE RELATING TO THE
ACQUISITION OF SINO EVERGREEN INTERNATIONAL LIMITED AND JIN
CHENG AUTO PARTS (HONG KONG) LTD.

Pursuant to SPA A and SPA B, Vendor A and Vendor B respectively undertook, amongst others, that the Applicable Net Profits of the Target Group A for the financial year ended 31 December 2018 shall not be less than 110% of the Applicable Net Profits of the Target Group A for the financial year ended 31 December 2017 (as set out in the Accounts), that is, approximately RMB52,019,000 (the “**2018 Performance Guarantee**”), and the Applicable Net Profits of the Target Group A for the financial year ended 31 December 2019 shall not be less than 130% of the 2018 Performance Guarantee, that is, approximately RMB67,624,700 (the “**2019 Performance Guarantee**”).

The Board is pleased to announce that the Applicable Net Profits of the Target Group A for the financial year ended 31 December 2019 has exceeded the 2019 Performance Guarantee. Accordingly, (i) Consideration CB A Tranche 2, in the principal amount of HK\$46,850,000, representing 30% of the Second Consideration A after rounding due to the minimum denomination of Consideration CB A; and (ii) Consideration CB B Tranche 2, in the principal amount of HK\$15,616,000, representing 30% of the Second Consideration B after rounding due to the minimum denomination of Consideration CB B will be issued on 1 June 2020 to Vendor A and Vendor B pursuant to the terms of SPA A and SPA B, respectively, as disclosed in the Circular.

By order of the Board
Xiezhong International Holdings Limited
Chen Cunyou
Chairman

Hong Kong, 29 May 2020

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Chen Cunyou, Mr. Ge Hongbing, Ms. Chen Xiaoting and Mr. Shen Jun; one non-executive Director, namely Mr. Huang Yugang; and four independent non-executive Directors, namely Mr. Lau Ying Kit, Mr. Cheung Man Sang, Mr. Zhang Shulin and Mr. Lin Lei.