

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.



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)

(1) TERMINATION OF DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION ARRANGEMENT TO ACQUIRE 100% EQUITY INTEREST IN BEIJING AUTO HVAC; AND
(2) LAPSE OF MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF 50% EQUITY INTEREST IN XIEZHONG BEIJING

References are made to (i) the announcements (the “**Announcements**”) of Xiezhong International Holdings Limited (the “**Company**”) dated 22 February 2016, 25 February 2016 and the circular (the “**Circular**”) of the Company date 26 April 2016, in relation to, among other things, the Acquisition, the Beijing Disposal and the transactions thereunder; and (ii) the announcements of the Company dated 27 September 2016 and 31 March 2017 in relation to, among other things, delay in completion of the Acquisition.

Unless otherwise defined, capitalized terms used in this announcement has the same meaning as those defined in the Circular.

TERMINATION OF THE ACQUISITION

As disclosed in the Announcements and the Circular, on 19 February 2016, Xiezhong Nanjing and Beijing Beiqimo had entered into the Miyun Disposal Agreement, pursuant to which Xiezhong Nanjing and Beijing Beiqimo agreed to, subject to, among other conditions, completion of the injection of the Miyun Asset into Beijing Auto HVAC by Beijing Beiqimo after Completion I, implement the Acquisition Arrangement whereby Beijing Beiqimo has proposed to sell, and Xiezhong Nanjing has proposed to bid for, in an open tender process at China Beijing Equity Exchange (北京產權交易所), the entire equity interest in Beijing Auto HVAC from Beijing Beiqimo at a proposed consideration of not more than RMB230 million.

The Board would like to announce that on 18 August 2017 (after trading hours), Xiezhong Nanjing and Beijing Beiqimo entered into a termination agreement (the “**Termination Agreement**”), pursuant to which the parties thereto have agreed to terminate the Miyun Disposal Agreement.

Pursuant to the Termination Agreement, (i) it was agreed that the respective rights and obligations of Xiezhong Nanjing and Beijing Beiqimo under the Miyun Disposal Agreement were terminated and ceased to have any force and effect; and (ii) since Beijing Auto HVAC shall remain as the wholly-owned subsidiary of Beijing Beiqimo, Beijing Beiqimo had upon date of the Termination Agreement, completed the change in industry and commercial registration (工商登記變更) with relevant registration authority the registered name of Beijing Auto HVAC, so that there will no longer be any reference to “協眾” and agreed that it and its associated companies would not, without Xiezhong Nanjing’s prior consent, use the reference “協眾” in their names under any circumstances.

The Board considers that the terms of the Termination Agreement are on normal commercial terms and are fair and reasonable, and the Termination Agreement is in the interests of the Company and the Shareholders as a whole. The Board further considers that the termination of the Miyun Disposal Agreement would have no material adverse impact on the business operation and financial position of the Group.

LAPSE OF THE BEIJING DISPOSAL

As disclosed in the Announcements and the Circular, on 23 February 2016, Xiezhong Nanjing and Beijing Hainachuan entered into the Beijing Disposal Agreement, pursuant to which Xiezhong Nanjing has agreed to sell and Beijing Hainachuan has agreed to purchase the entire equity interest of Xiezhong Beijing at a consideration of not less than approximately RMB25.225 million (subject to adjustments). Beijing Completion is conditional upon, among other things, successful bidding of Beijing Auto HVAC by Xiezhong Nanjing in the open tender at China Beijing Equity Exchange (北京產權交易所) pursuant to the Acquisition Arrangement.

Since the Acquisition Arrangement has been terminated pursuant to the Termination Agreement, one of the conditions precedent to the Beijing Disposal Agreement would not be fulfilled and hence the Beijing Disposal Agreement has lapsed accordingly.

The Board considers that the lapse of the Beijing Disposal Agreement will not have any material adverse impact on the business operation and financial position of the Group as a whole.

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

Hong Kong, 18 August 2017

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