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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)

SUPPLEMENTAL ANNOUNCEMENT FULFILLMENT OF RENTAL GUARANTEE IN RELATION TO THE MAJOR AND CONNECTED TRANSACTION

This announcement is made by EverChina Int'l Holdings Company Limited (the “**Company**”) pursuant to Rule 14A.63 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of the Company dated 24 December 2015, the circular (the “**Circular**”) of the Company dated 19 February 2016 in relation to the Acquisition and the Company’s annual report for the year ended 31 March 2018 published on 23 July 2018. Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

The Acquisition was completed in August 2016. Pursuant to the leasing agent and operating services agreement entered into between the Leasing Agent and the WFOE, the Leasing Agent guaranteed that the Rental Income for each year during the term of three years commencing till 11 August 2019 shall not less than 3.5% of the Consideration, which is equivalent to RMB21,560,000 (“**Rental Guarantee**”). For any shortfall, the Leasing Agent shall pay the WFOE the shortfall on a dollar-for-dollar basis. Further, the Vendor guaranteed to the WFOE that if the Leasing Agent fails to pay the shortfall, the Vendor shall pay the WFOE the shortfall on a dollar-for-dollar basis.

The Company would like to supplement information in relation to the guarantee obligation in relation to the rental guarantee for the period from September 2016 to August 2017 (the “**1st Guaranteed Period**”) and for the period from September 2017 to August 2018 (the “**2nd Guaranteed Period**”).

During the 1st Guaranteed Period, the actual Rental Income was approximately RMB260,000 (equivalent to approximately HK\$306,000). As the actual Rental Income did not meet the guarantee income of RMB21,560,000 (equivalent to approximately HK\$25,355,000). The Leasing Agent should compensate the shortfall of approximately RMB21,300,000 (equivalent to approximately HK\$25,049,000) to the WFOE. On 30 September 2017 and 27 March 2018, the WFOE received from the Leasing Agent in aggregate of RMB21,560,000 (equivalent to approximately HK\$25,355,000) including the actual Rental Income of approximately RMB260,000 (equivalent to approximately HK\$306,000) for the 1st Guaranteed Period.

In light of the above, the independent non-executive Directors are of the view that the obligations of the Leasing Agent for the year ended 31 March 2018 under the Rental Guarantee have been fulfilled.

During the 2nd Guaranteed Period, the actual Rental Income was approximately RMB3,022,000 (equivalent to approximately HK\$3,554,000). As the actual Rental Income did not meet the guarantee income of RMB21,560,000 (equivalent to approximately HK\$25,355,000). The Leasing Agent should compensate the shortfall of approximately RMB18,538,000 (equivalent to approximately HK\$21,801,000) to the WFOE. Due to the Leasing Agent had paid the management fee of approximately RMB3,092,000 (equivalent to approximately HK\$3,636,000) for the period of two years from 10 August 2016 to 11 August 2018 on behalf of the WFOE, the Leasing Agent is authorized by the WFOE to deduct the management fee of approximately RMB3,092,000 (equivalent to approximately HK\$3,636,000) directly from the shortfall. On 18 December 2018, the WFOE received from the Leasing Agent approximately RMB15,446,000 (equivalent to approximately HK\$18,165,000) after deduction of the aforesaid management fee.

In light of the above, the independent non-executive Directors are of the view that the obligations of the Leasing Agent for the year ended 31 March 2019 under the Rental Guarantee have been fulfilled.

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

Hong Kong, 5 July 2019

In this announcement, RMB are converted into HK\$ on the basis of RMB1 = HK\$1.176

As at the date of this announcement, the executive Directors are Mr. Jiang Zhaobai, Mr. Lam Cheung Shing, Richard, Mr. Chen Yi, Ethan and Mr. Shen Angang, and the independent non-executive Directors are Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Professor Shan Zhemin.