

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.



Earthasia International Holdings Limited

泛亞環境國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6128)

**SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
ACQUISITION OF 51% EQUITY INTEREST IN SUZHOU
INDUSTRIAL PARK WENLVGE HOTEL
MANAGEMENT COMPANY LIMITED**

Reference is made to the announcements of Earthasia International Holdings Limited (the “**Company**”) dated 29 March 2017 and 1 December 2017 (the “**Announcements**”) in relation to the acquisition of 51% equity interest in Suzhou Industrial Park Wenlvge Hotel Management Company Limited. Unless otherwise stated herein, capitalized terms used herein shall have the same meanings as those defined in the Announcements. The Company would like to provide supplemental information to the Announcements as follows:

Consideration

The consideration of the Acquisition was reduced from RMB17,850,000 to RMB10,200,000 due to deterioration of the financial position of the Target Company. For the ten months ended 31 October 2017, the turnover, the net profit before tax and the net profit after tax of the Subject Business acquired by the Target Company were RMB14.0 million, RMB2.5 million and RMB1.9 million respectively. Such net profit after tax is 44.4% lower than the initial Guaranteed Profit of RMB4.5 million under the Acquisition Agreement, mainly attributable to certain loss making restaurants. Accordingly, the parties agreed in the Supplemental Agreement to amend the scope of Subject Business to exclude certain loss making restaurants and reduce the consideration of the Acquisition.

Completion

As disclosed in the Announcements, the parties agreed in the Supplemental Agreement that the Completion shall no longer be subject to the Target Company having signed the new franchising agreements with the Ikaruga Ramen franchising shops and the Go Go Curry franchising shops respectively (the “**Condition**”). The Directors consider the deletion of the Condition is fair and reasonable and in the interest of the Shareholders as a whole because under the existing franchising agreements, the franchiser is required to pay compensation to the relevant franchisee in the event the relevant franchising shop is unable to meet the guaranteed profit set out under the relevant franchising agreement. Should the Condition is retained, the Target Company, being the franchiser, would be obliged to pay compensation as the relevant franchising shops are currently unable to meet the guaranteed profit requirement. Accordingly, the Target Company shall not enter into new franchising agreements with the existing Ikaruga Ramen franchising shops and the Go Go Curry franchising shops. Notwithstanding the aforesaid, the Target Company shall have the right to negotiate terms and enter into franchising agreements with other new Ikaruga Ramen franchising shops and the Go Go Curry franchising shops.

There has been no change in relation to acquisition of the IP Rights from the Warrantor by the Target Company.

By Order of the Board
Earthasia International Holdings Limited
Lau Hing Tat Patrick
Chairman

Hong Kong, 4 December 2017

As at the date of this announcement, the executive Directors are Mr. Lau Hing Tat Patrick, Mr. Chan Yick Yan Andross, Mr. Tian Ming, Mr. Yang Liu and Mr. Qiu Bin; the non-executive Director is Mr. Ma Lida; and the independent non-executive Directors are Ms. Tam Ip Fong Sin, Mr. Wong Wang Tai and Mr. Wang Yuncai.