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## **WUZHOU INTERNATIONAL HOLDINGS LIMITED**

### **五洲國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01369)**

**(the “Company”)**

### **INSIDE INFORMATION ON BREACH OF 2ND TRANCHE 2016 CORPORATE BONDS BREACH OF 1ST TRANCHE 2017 CORPORATE BONDS AND OTHER MAJOR LEGAL PROCEEDINGS OR CLAIMS**

This announcement is made by Wuzhou International Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

#### **BREACH OF 2ND TRANCHE 2016 CORPORATE BONDS**

Reference is made to the announcement of the Company dated 19 September 2016 in relation to the issue of the 2nd tranche of corporate bonds named “16 錫洲 02” in the total principal amount of RMB1,500 million (the “**2nd Tranche 2016 Corporate Bonds**”).

The Company was originally obliged to redeem some of the 2nd Tranche 2016 Corporate Bonds in the principal sum of RMB395.5 million and pay interest in the aggregate amount of RMB111.0 million on 19 September 2018.

#### **BREACH OF 1ST TRANCHE 2017 CORPORATE BONDS**

Wuxi Wuzhou Ornament City Co., Ltd.\* (無錫五洲國際裝飾城有限公司), an indirectly wholly-owned subsidiary of the Company (“**Wuxi Wuzhou**”), was originally obliged to redeem all the principal sum of RMB1,000 million and pay interest in the aggregate amount of RMB50.6 million on 20 September 2018 for the early redemption of the 1st Tranche 2017 non-public offering corporate bonds issued by the Wuxi Wuzhou (無錫五洲國際裝飾城有限公司非公開發行2017年公司債券(第一期)) on 10 January 2017 (the “**1st Tranche 2017 Corporate Bonds**” (17 錫洲 01)) according to the “Resolution on Demanding the Company on Early Repayment of current instalment of principal and interest of 1st Tranche 2017 Corporate Bonds (要求發行人提前兌付本期債券本息的議案)” passed at the 2018 third bondholders’ meeting of the 1st Tranche 2017 Corporate Bonds.

## OTHER MAJOR LEGAL PROCEEDINGS OR CLAIMS AGAINST THE GROUP

The Group has received:

- (a) a writ of summons issued by the Higher People's Court of Ningxia Hui Autonomous Region (“**Ningxia**”), pursuant to which the Group is requested to attend a court hearing relating to the claims against the Group by a creditor for the repayment of the outstanding loan in the principal sum of approximately RMB167.8 million and the interest accrued up to 27 August 2018 of approximately RMB8.9 million and the enforcement of mortgage over the real properties executed by the Group;
- (b) a writ of summons issued by the Intermediate People's Court of Ningxia, pursuant to which the Group is requested to attend a court hearing relating to the claims against the Group by a creditor for the repayment of the outstanding loan in the principal sum of approximately RMB13.3 million and the interest accrued up to 27 August 2018 of approximately RMB170,800 and the enforcement of mortgage over the real properties executed by the Group;
- (c) a statement of claims from a creditor for the repayment of the 1st Tranche 2017 Corporate Bonds named “17 錫洲 01” in the principal sum of RMB100 million and the interest accrued up to date of actual payment (and for the purpose of reference, interest accrued up to 10 July 2018 is approximately RMB11.1 million);
- (d) an application for arbitration by a joint venture partner for the repurchase of equity interest at the total consideration of RMB126.3 million and payment of damages of RMB35.8 million; and
- (e) a demand letter from a bank demanding for repayment of the outstanding loan (the “**Relevant Loan**”) in the principal sum of approximately RMB291.1 million and interest accrued up to 27 September 2018 of approximately RMB2.5 million.

The Directors regret to announce that, due to financial difficulties of the Group, the Group was not able to fulfil the above-mentioned payment obligations and liabilities.

The Company is now actively exploring various ways to remedy the defaults of the Company in connection with the 2nd Tranche 2016 Corporate Bonds, the 1st Tranche 2017 Corporate Bonds and handle the various legal proceedings and claims as mentioned above. In particular, for the Relevant Loan, the Group is now discussing with the bank to repay the same by releasing the certificates of deposit which were used as security for the Relevant Loan.

The Group will keep the shareholders of the Company and potential investors informed of the updated status by way of further announcement(s) as and when appropriate.

## CONTINUED TRADING SUSPENSION OF THE SHARES OF THE COMPANY

Trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 3 September 2018 and will remain suspended until further notice.

By Order of the Board  
**WUZHOU INTERNATIONAL HOLDINGS LIMITED**  
**Shu Cecheng**  
*Chairman*

Hong Kong, 4 October 2018

*As at the date of this announcement, the Board comprises six executive Directors, being Mr. Shu Cecheng (Chairman), Mr. Shu Cewan (Chief Executive Officer), Mr. Zhu Yongqiu, Mr. Shen Xiaowei, Ms. Cai Qiaoling and Mr. Zhou Chen, and three independent non-executive Directors, being Dr. Song Ming, Prof. Shu Guoying and Mr. Liu Chaodong.*

\* *In this announcement, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*