

*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.*



## **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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE PROPERTY**

#### **THE DISPOSAL**

The Board is pleased to announce that, on 7 May 2019, the Vendor and the Purchaser entered into the Transfer Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Property at a total consideration of RMB40 million.

#### **LISTING RULES IMPLICATION**

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **THE DISPOSAL**

The Board is pleased to announce that, on 7 May 2019, the Vendor and the Purchaser entered into the Transfer Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Property.

#### **THE TRANSFER AGREEMENT**

The major terms of the Transfer Agreement are as follows:

Date: 7 May 2019

**Parties:**

Vendor: 無錫五洲龍盛商業有限公司 (Wuxi Wuzhou Longsheng Commercial Co. Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

Purchaser: 上海棕築管理諮詢有限公司 (Shanghai Zongzhu Management Consultancy Co. Limited), a company established in the PRC with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is not a connected person of the Company and is an Independent Third Party.

**The Property to be disposed**

The Property comprises of the real property located at No. 3-0175, Xinxing West Road, Huishan District, Wuxi City, the PRC with a gross floor area of approximately 7,700 square metres.

The valuation of the Property as assessed by an independent valuer based on market comparable methodology as at 31 December 2018 was approximately RMB50.3 million.

**Consideration**

The total consideration for the Disposal is RMB40 million (the "Consideration"), which shall be satisfied by the Purchaser to the Vendor in the following manner:

1. RMB20 million of the Consideration, as the deposit, shall be paid by the Purchaser upon signing of the relevant agreement on the online transaction system of the relevant governmental authority in connection with the sale and purchase of the Property; and
2. the remaining balance of the Consideration shall be paid by the Purchaser before 31 July 2019.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser, taking into account (i) the reasons for the Disposal as disclosed in the section headed "Reasons for and Benefits of the Disposal" in this announcement, (ii) the valuation of the Property, (iii) the urgent need to settle a judgment indebtedness, failing which the court may authorize the auction of the Property for the purpose of settling the same, and may sell the Property at substantial discount, i.e. at even lower price as compared with the Consideration.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Disposal enables the Group to repay some of its indebtedness. The Directors are of the view that the terms and conditions of the Transfer Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE COMPANY, THE VENDOR AND THE PURCHASER**

The Group, comprising the Company and its subsidiaries, is principally involved in property development, property investment and provision of property management services in the PRC.

The Vendor principally engages in property investment.

To the best of the Directors' knowledge and information, the Purchaser principally engages in property investment.

## **FINANCIAL IMPACT OF THE DISPOSAL**

Upon completion of the Disposal, it is estimated that the Group will record a loss of approximately RMB12.2 million which is calculated on the basis of the difference between the net amount of the Consideration after deduction of the capital gain tax of approximately RMB38.1 million and the valuation of the Property of approximately RMB50.3 million.

Shareholders should note that the above figures are for illustrative purpose only. The actual gain or loss arising from the Disposal may be different from the above estimation and will be determined based on the valuation of the Property and the relevant expenses incurred on the Disposal and is subject to review by the Company's auditors.

## **USE OF PROCEEDS**

The Company intends to apply the net proceeds from the Disposal for repayment of some of the indebtedness of the Group.

## **LISTING RULES IMPLICATION**

As the highest percentage ratios (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

No Director has a material interest in the transaction and has abstained from voting on the board resolutions approving the Disposal and the Transfer Agreement.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors;
“Business day”	a day other than a Saturday or Sunday on which commercial banks are open for business in the PRC;
“Company”	Wuzhou International Holdings Limited (五洲國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1369);
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the proposed disposal of the Property by the Vendor in accordance with the terms and conditions of the Transfer Agreement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
“Property”	the investment property of the Group located at No. 3-0175, Xinxing West Road, Huishan District, Wuxi City, the PRC with a gross floor area of approximately 7,700 square metres;
“Purchaser”	上海棕築管理諮詢有限公司 (Shanghai Zongzhu Management Consultancy Co. Limited), a company established in the PRC with limited liability;

“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary shares of US\$0.01 in the share capital of the Issuer, and where applicable, the term shall also include shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares and a “Share” shall refer to each and any one of such shares;
“Shareholder(s)”	holder(s) of the issued Share(s);
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Transfer Agreement”	the commodity property transfer agreement dated 7 May 2019 entered into between the Vendor and the Purchaser in respect of the Disposal;
“Vendor”	無錫五洲龍盛商業有限公司 (Wuxi Wuzhou Longsheng Commercial Co. Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.

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

Hong Kong, 9 May 2019

*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.*