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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)

ANNOUNCEMENT ON LITIGATION

This announcement is made by the board of directors (the “**Board**”) of Wuzhou International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The purpose of this announcement is to keep the shareholders and potential investors of the Company informed of the major litigation the Group is involved for the time being.

1. Background:

The Group entered into four loan agreements with Zhou Hua Feng* (周華峰) (the “**Plaintiff**”) in March 2016. It was a condition for the loans that the Group mortgaged several properties in the PRC to the Plaintiff as collaterals for the loans. The term of the loans shall be 12 months from the date of each of the loan agreements. Due to the failure of the Group in performing and fulfilling the obligations under the loan agreements, four claims were made by the Plaintiff against the Group in or about June 2018. The various court documents, including but not limited to the writ of summons, statement of claims and judgment were served to the Group by way of public announcement. The Group was not aware of the case until March 2020 after receiving the enforcement order and retrieving the relevant files from the court.

2. Judgements:

The Group received the following judgements of the People's Court of Guangdong Province Shenzhen City Futian District on the four litigations taken out by the Plaintiff dated 10 September 2019:

For the first litigation:

- (1) the Group shall pay the Plaintiff the outstanding loan in the sum of RMB24,890,000.00 together with the interest accrued thereon (to be calculated at the annual rate of 24% of the outstanding amount) and liquidated damages; and
- (2) the Plaintiff shall have priority over the proceeds from the properties mortgaged to the Plaintiff.

For the second litigation:

- (1) the Group shall pay the Plaintiff the outstanding loan in the sum of RMB24,910,000.00 together with the interest accrued thereon (to be calculated at the annual rate of 24% of the outstanding amount) and liquidated damages; and
- (2) the Plaintiff shall have priority over the proceeds from the properties mortgaged to the Plaintiff.

For the third litigation:

- (1) the Group shall pay the Plaintiff the outstanding loan in the sum of RMB16,430,000.00 together with the interest accrued thereon (to be calculated at the annual rate of 24% of the outstanding amount) and liquidated damages; and
- (2) the Plaintiff shall have priority over the proceeds from the properties mortgaged to the Plaintiff.

For the fourth litigation:

- (1) the Group shall pay the Plaintiff the outstanding loan in the sum of RMB23,770,000.00 together with the interest accrued thereon (to be calculated at the annual rate of 24% of the outstanding amount) and liquidated damages; and
- (2) the Plaintiff shall have priority over the proceeds from the properties mortgaged to the Plaintiff.

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.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
WUZHOU INTERNATIONAL HOLDINGS LIMITED
Shu Cewan
Chairman

Hong Kong, 13 March 2020

As at the date of this announcement, the Board comprises five executive Directors, being Mr. Shu Cewan (Chairman and 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.*