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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)**

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

#### **THE DISPOSAL**

The Board is pleased to announce that on 2 June 2020, the Vendor and the Purchaser entered into the Agreement of Property Sale and Bonds Cancellation, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Property at a total consideration of RMB30.19 million.

#### **LISTING RULES IMPLICATION**

As the highest applicable percentage ratio (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.

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## THE AGREEMENT OF PROPERTY SALE AND BONDS CANCELLATION

The major terms of the Agreement of Property Sale and Bonds Cancellation are as follows:

### Parties:

Vendor: Wuxi Longxiang Investment Company Limited\* (無錫市龍祥投資有限公司), a company established in the PRC with limited liability and an indirectly wholly owned subsidiary of the Company

Purchaser: Shenzhen QianHai YuLongDe Supply Chain Company Limited\* (深圳前海裕隆達供應鏈有限公司), 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 32 commercial property units situated on the 4/F of Area A of Wuzhou Galaxy City in No. 313 Guangyi Road, Wuxi City (無錫市廣益路313號五洲銀河城), with a total gross floor area of 4,574.2 square meters.

According to the assessment of an independent valuer, the total market value of the Property was approximately RMB27.51 million as at 31 December 2019.

### Consideration

The total consideration for the Disposal is approximately RMB30.19 million (the “**Consideration**”), which shall be satisfied by the Purchaser by transferring the 2nd Tranche 2016 Corporate Bonds of equivalent face value (with no interests and damages after such transfer) owned by the Purchaser to the Vendor for cancellation. 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 and (ii) the market value of the Property.

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

The purpose of the Disposal is for the Group to set off certain debts in the 2nd Tranche 2016 Corporate Bonds. The Directors are of the view that the terms and conditions of the Agreement of Property Sale and Bonds Cancellation 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 investment holding and is a wholly-owned subsidiary of Wuxi Wuzhou (the issuer of the 2nd Tranche 2016 Corporate Bonds).

The Purchaser is the beneficial owner of some of the 2nd Tranche 2016 Corporate Bonds.

To the best of the Directors' knowledge and information, the Purchaser principally engages in, inter alia, supply chain management; corporate management consulting; investment in industrial projects; development and sale of energy and new energy technology; import and export business; domestic trade (excluding state controlled or franchised items; excluding the items subject to state franchise or control); building materials, steel, building decoration materials, plastic products, wood and wood products.

## **FINANCIAL IMPACT OF THE DISPOSAL**

Upon completion of the Disposal, it is estimated that the Group will record a gain of approximately RMB2.68 million which is calculated on the basis of the difference between the amount of the Consideration and the market value of the Property and a deduction of tax and relief of debt interest and damages.

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.

## **LISTING RULES IMPLICATION**

As the highest percentage ratio (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 Agreement of Property Sale and Bonds Cancellation.

## DEFINITIONS

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

|   |  |
|---|--|
| “2nd Tranche 2016 Corporate Bonds”                  | 2nd Tranche 2016 corporate bonds issued by Wuxi Wuzhou on 19 September 2016 in the total principal amount of RMB1,500 million, which is also referred as “16錫洲02”;   |
| “Agreement of Property Sale and Bonds Cancellation” | the agreement of property sale and bonds cancellation dated 2 June 2020 entered into between the Vendor and the Purchaser in respect of the Disposal;  |
| “Board”   | the board of Directors;  |
| “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;   |
| “Disposal”  | the proposed disposal of the Property by the Vendor in accordance with the terms and conditions of the Agreement of Property Sale and Bonds Cancellation;  |
| “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);   |

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|------------------|--|
| “Property”       | a total of 32 investment property units situated on the 4/F of Area A of Wuzhou Galaxy City in No. 313 Guangyi Road, Wuxi City* (無錫市廣益路313號五洲銀河城), with a total area of 4,574.2 square meters; |
| “Purchaser”      | Shenzhen QianHai YuLongDe Supply Chain Company Limited* (深圳前海裕隆達供應鏈有限公司), a company established in the PRC with limited liability;   |
| “RMB”            | Renminbi, the lawful currency of the PRC;  |
| “Shareholder(s)” | holder(s) of the issued share(s) of the Company;   |
| “Stock Exchange” | the Stock Exchange of Hong Kong Limited;   |
| “Vendor”         | Wuxi Longxiang Investment Company Limited* (無錫市龍祥投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company;                    |
| “%”              | per cent.  |

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

Hong Kong, 3 June 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, individuals or properties 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.*