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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: 1369)**

### ANNOUNCEMENT ON LITIGATIONS

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 of 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 litigations the Group is involved for the time being.

#### **1. Litigation in respect of disputes over contract for construction taken out by Nantong Zhongjia Engineering Construction Co., Limited\***

A claim was made by Nantong Zhongjia Engineering Construction Co., Limited\* (南通中甲建設工程有限公司) (the “**Plaintiff of the 1st Litigation**”) against an indirect non wholly-owned subsidiary of the Company, namely Suqian Wuzhou Property Co., Ltd.\* (宿遷五洲置業有限公司) (the “**Defendant of the 1st Litigation**”) in or about September 2019 in respect of disputes over several contracts for construction entered into between the parties in or about June 2016, November 2016, January 2017 and May 2017 respectively (collectively as the “**Contracts for Construction**”) for, inter alia, the Defendant of the 1st Litigation to return to the Plaintiff of the 1st Litigation the performance bonds in the sum of RMB22,000,000.00 together with liquidated damages and legal costs. Pursuant to the civil judgement handed down by the Sucheng District People’s Court of Suqian Municipality (the “**Suqian Court**”) dated 4 March 2020, the Suqian Court ruled that pursuant to the Contracts for Construction, the performance bonds made to the Defendant of the 1st Litigation shall be in the sum of RMB10,000,000 and the outstanding RMB12,000,000 deposited by the Plaintiff of the 1st Litigation with the Defendant of the 1st Litigation shall not be construed as performance bonds and thus shall be returned to the Plaintiff of the 1st Litigation as per its request. The Suqian Court further ruled that as the construction works contemplated under the Contracts for Construction has not been completed, the performance bonds in the sum of RMB10,000,000 deposited with the Defendant of the 1st Litigation shall not be returned to the Plaintiff of the 1st Litigation unless and until the works has been completed pursuant to the Contracts for Construction.

The Defendant of the 1st Litigation applied to the Civil Judgement handed down by the Intermediate People's Court of Suqian Municipality, Jiangsu Province (the “**Suqian Intermediate Court**”) for leave to appeal against the aforementioned judgement of the Suqian Court in or about May 2020. Thereafter on or about 3 June 2020, the Defendant of the 1st Litigation withdrew such appeal. The Suqian Intermediate Court confirmed and accepted the withdrawal application on 3 June 2020.

## **2. Litigation in respect of disputes over contract for construction taken out by China Construction No. 8 Engineering Bureau Co., Limited**

A claim was made by China Construction No. 8 Engineering Bureau Co., Limited\* (中國建築第八工程局有限公司) (the “**Plaintiff of the 2nd Litigation**”) against an indirect wholly-owned subsidiary of the Company, namely Changchun Zhongnan Property Development Co., Ltd.\* (長春市中南房地產開發有限公司) (the “**Defendant of the 2nd Litigation**”) in respect of disputes over contract for construction in or about September 2019. The Defendant of the 2nd Litigation was alleged that, inter alia, (i) it failed to return the construction project quality deposit to the Plaintiff of the 2nd Litigation after completion of the construction quality assurance period in or around July 2017 pursuant to the contract for construction entered into between the two parties dated 15 December 2013; and (ii) it failed to pay the construction costs pursuant to the payment schedule as set out in the supplemental contract for construction dated 3 November 2017 to the Plaintiff of the 2nd Litigation which made the Plaintiff of the 2nd Litigation impossible to complete the works stipulated thereunder and suffer great economic loss arising out of and resulting from the massive delay and incompleteness of the works. The Plaintiff of the 2nd Litigation thereafter filed an application to the Intermediate People's Court of Changchun Municipality, Jilin Province (the “**Changchun Court**”) for a freezing order over the bank deposits of the Defendant of the 2nd Litigation in the sum of RMB91,682,496.59 or an equivalent amount of other properties to be granted in favour of the Plaintiff of the 2nd Litigation. The Changchun Court made a ruling dated 25 March 2020 that a freezing order be granted in favour of the Plaintiff of the 2nd Litigation.

## **3. Litigation in respect of disputes over contract for construction taken out by China Construction First Building (Group) Corporation Limited**

A claim was made by China Construction First Building (Group) Corporation Limited (中國建築一局(集團)有限公司) (the “**Plaintiff of the 3rd Litigation**”) against an indirect non wholly-owned subsidiary of the Company, namely Yantai Wuzhou Property Co., Ltd.\* (烟台五洲置業有限公司) (the “**Defendant of the 3rd Litigation**”) in respect of disputes over contract for construction in or about June 2020. The Defendant of the 3rd Litigation was alleged that during the term of the relevant contract for construction, the Defendant of the 3rd Litigation committed material breaches of the contract, including but not limited to failure to pay the Plaintiff of the 3rd Litigation in accordance with the payment schedule as set out in the contract, material delay in providing necessary drawings and assistance to the Plaintiff of the 3rd Litigation for the purpose of carrying out the works under the contract, and cancellation and cessation of some of the construction works in the construction sites prescribed in the contract unilaterally without compensation to the Plaintiff of the 3rd Litigation. The Plaintiff of the 3rd Litigation thereafter on or about 23 June 2020 filed

an application to the Intermediate People’s Court of Yantai Municipality, Shandong Province (the “**Yantai Court**”) for a freezing order over the bank deposits of the Defendant of the 3rd Litigation in the sum of RMB96,709,139.15 or an equivalent amount of other properties to be granted in favour of the Plaintiff of the 3rd Litigation. The Yantai Court made a ruling dated 24 June 2020 that a freezing order be granted in favour of the Plaintiff of the 3rd Litigation.

## **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**  
**Shen Xiaowei**  
*Executive Director*

Hong Kong, 23 July 2020

*As at the date of this announcement, the Board comprises four executive directors, being Mr. Shen Xiaowei (Chief Executive Officer), Mr. Zhu Yongqiu, 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 or individuals 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.*