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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)

US\$300,000,000 13.75% Senior Notes Due 2018 (the “Senior Notes”)

(Stock Code: 05970)

INSIDE INFORMATION ON ALLEGED BREACH OF CONVERTIBLE NOTES AND BREACH OF CORPORATE BONDS

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**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

ALLEGED BREACH OF THE CONVERTIBLE NOTES

Reference is made to the announcements of the Company dated 14, 22, 26 September and 22 October 2014 in relation to the issue of 7.00% convertible notes in the principal amount of US\$100,000,000 due 2019 (the “**Convertible Notes**”).

The creditor of Convertible Notes exercised its rights to request for early redemption of the Convertible Notes. However, the Company failed to fulfil its redemption obligations. On 20 August 2018, the Group received a notice from China International Economic and Trade Arbitration Commission and a claim (the “**Arbitration Claim**”) has been made by the creditor of the Convertible Notes against the Group for the repayment of the outstanding principal in the amount of approximately US\$29.3 million and outstanding interest and default interest in the amount of approximately US\$520,000, which was alleged to be required to be fully redeemed and paid on 6 July 2018.

The Company is now seeking legal advice and assessing the merit on the Arbitration Claim and 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.

BREACH OF CORPORATE BONDS

Reference is made to the announcements of the Company dated 23 August 2016 in relation to the issue of the corporate bonds named “16錫洲01” in the total principal amount of RMB500 million (the “**Corporate Bonds**”). As at the date of this announcement, the total outstanding principal amount under the Corporate Bonds was approximately RMB380 million.

The Company was originally obliged to redeem some of the Corporate Bonds in the principal sum of RMB10 million and pay interest in the aggregate amount of RMB30.02 million on 20 August 2018.

The Directors regret to announce that, due to financial difficulties of the Group, the Group was not able to fulfil the said payment obligations.

The Company has also received the claim notice from the trustee of the Corporate Bonds on 23 August 2018, demanding payments of the outstanding principal sum and interest within 30 days from 21 August 2018.

The Company is now actively exploring various ways to remedy the default of the Company in connection with the Corporate Bonds and 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 HALT OF THE SENIOR NOTES OF THE COMPANY

Trading in the Senior Notes on the Stock Exchange will remain halted until further notice.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 24 August 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.