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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 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 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 various major litigations the Group are involved for the time being.

#### **1. Litigation in respect of disputes over private lending taken out by Li Guoliang**

A claim was made by Li Guoliang against four subsidiaries of the Company, namely Wuxi Wuzhou International Ornamental City Co., Ltd.\* (無錫五洲國際裝飾城有限公司), Nantong Wuzhou International Investment Co., Ltd.\* (南通五洲國際投資有限公司), Wuzhou International (Yueqing) Electrical City Co., Ltd.\* (五洲國際(樂清)電工電氣城有限公司) and Jiangyin Wuzhou Property Co., Ltd.\* (江陰五洲置業有限公司), Shu Cecheng, Shu Cewan and two other companies (collectively as “**Defendants of 1<sup>st</sup> litigation**”) on 6 December 2018 for a freezing order to be granted against the Defendants of the 1<sup>st</sup> litigation for the amount of RMB26,729,900 relating to private lending disputes. The People’s Court of Hangzhou City Xihu Qu made a ruling dated 6 December 2018 that a freezing order be granted for RMB26,729,900. The date of trial on the private lending disputes is not yet confirmed. Given that the litigation process is at an early stage, the Board considers that it is not practical to assess the full potential impact of the litigation on the Group at the moment.

## **2. Litigation in respect of disputes over private lending taken out by Jiang Yan**

A claim was made by Jiang Yan against the wholly-owned subsidiaries of the Company, namely, Wuxi Wuzhou International Ornamental City Co., Ltd.\*, a 38.5% joint venture company of the Group, Dali Wuzhou International Commercial City Co., Ltd.\* (大理五洲國際商貿城有限公司) and Shu Cewan (collectively, the “**Defendants of the 2<sup>nd</sup> litigation**”) for a ruling that a freezing order be granted against the Defendants of the 2<sup>nd</sup> litigation for the amount of RMB50,000,000 relating to private lending disputes. The First Intermediate People’s Court of Chongqing City made a ruling dated 4 March 2019 that a freezing order be granted for RMB50,000,000. The date of trial on the private lending dispute is not yet confirmed. Given that the proceedings are still at an early stage, the Board considers that it is currently not practical to assess the full potential impact of the litigation on the Group.

## **3. Litigation in respect of disputes over loan agreements taken out by Bank of China, Xuzhou Branch**

A claim was made by the Bank of China, Xuzhou Branch against the Company, its wholly-owned subsidiary Wuxi Wuzhou International Ornamental City Co., Ltd.\* and two other companies (collectively, the “**Defendants of the 3<sup>rd</sup> litigation**”) on 28 March 2019 for a freezing order to be granted against the Defendants of the 3<sup>rd</sup> litigation for the amount of RMB150,000,000 in relation to the disputes over some loan agreements. The Jiangsu Province Xuzhou City Intermediate People’s Court made a ruling dated 29 March 2019 that a freezing order be granted for RMB150,000,000. The date of trial on the loan agreements disputes is not yet confirmed. Given that the proceedings are still at an early stage, the Board considers that it is currently not practical to assess the full potential impact of the litigation on the Group.

## **4. Arbitration in respect of disputes over corporate bonds taken out by China Fund Management Co., Ltd.**

A claim was made by China Fund Management Co., Ltd. (the “**Applicant**”) against the Company and its wholly-owned subsidiary Wuxi Wuzhou International Ornamental City Co., Ltd.\* (collectively as “**Defendants of 4<sup>th</sup> litigation**”) on 29 March 2019 for a decision by the Shanghai Arbitration Commission that a freezing order be granted against the Defendants of 4<sup>th</sup> litigation for the amount of RMB215,104,839.45 in relation to the disputes among the parties. The Jiangsu Province Wuxi City Intermediate People’s Court made a ruling dated 20 May 2019 that a freezing order be granted for RMB215,104,839.45. No date has been set for the hearing of this case, and the arbitration process is still in its early stages.

## 5. **Litigation in respect of disputes over loan agreements taken out by Zhongyuan Trust Co., Ltd.**

A claim relating to a loan agreement (the “**Loan Agreement**”) was made by Zhongyuan Trust Co., Ltd. (the “**Plaintiff**”) against Nantong Wuzhou International Investment Co., Ltd.\* (the “**1<sup>st</sup> Defendant**”), Wuxi Wuzhou International Ornamental City Co., Ltd.\* (the “**2<sup>nd</sup> Defendant**”), Shu Cecheng (the “**3<sup>rd</sup> Defendant**”), Zhu Lijuan (the “**4<sup>th</sup> Defendant**”) and Wuxi Zhongnan Real Estate Investment Co., Ltd. (the “**5<sup>th</sup> Defendant**”) (collectively, the “**Defendants of the 5<sup>th</sup> Litigation**”) for, inter alia, the 1st Defendant to pay the Plaintiff the 3 trust loans (the “**Trust Loans**”) together with the interest accrued and liquidated damages and enforcement of the security. The case was heard on 27 March 2019 and the ruling was made on 19 July 2019. It was held that: (1) the 1st Defendant pays the Plaintiff the Trust Loans amounting to RMB297,161,086.39 plus together with the interest accrued thereon and liquidated damages until the date of repayment; (2) order against the 1st Defendant in favour of the Plaintiff for priority over the proceeds from the auction for sale of the immovable property mortgaged to the Plaintiff; (3) order against the 1st Defendant in favour of the Plaintiff for priority over the pledge of accounts receivable and derivative rights; (4) order against the 2nd Defendant in favour of the Plaintiff for priority over the pledge of accounts receivable and derivative rights; (5) the 2nd Defendant, 3rd Defendant, 4th Defendant and 5th Defendant to be jointly and severally liable.

## 6. **Litigation in respect of disputes over corporate bonds taken out by Zhonghai Trust Co., Ltd.**

A claim relating to corporate bonds was made by Zhonghai Trust Co., Ltd. (the “**Plaintiff of the 6<sup>th</sup> Litigation**”) against a wholly-owned subsidiary of the Company, namely Wuxi Wuzhou International Ornamental City Co., Ltd. (the “**Defendant of the 6<sup>th</sup> Litigation**”) and the Company (collectively, the “**Defendants of the 6<sup>th</sup> Litigation**”) on 27 August 2018 for the following: (i) termination of the bond agreement (the “**Bond Agreement**”) between the Plaintiff of the 6<sup>th</sup> Litigation and the Defendant of the 6<sup>th</sup> Litigation; (ii) the Defendant of the 6<sup>th</sup> Litigation to pay the bond principal of RMB100,000,000 (the “**Bond Principal**”) to the Plaintiff of the 6<sup>th</sup> Litigation; (iii) the Defendant of the 6<sup>th</sup> Litigation to pay interest on the Bond Principal of 7.3% per annum, liquidated damages and legal costs; and (iv) the Company to assume joint and several liability for the total monetary amount as claimed above. The case was heard on 7 May 2019. Given that the proceedings are still in the first instance and there is no judgment as at the date of this announcement, the Board believes that it is not practical to currently evaluate the full potential impact of the litigation on the Group.

The Company will publish announcement(s) to update its shareholders of any major progress to the above matters, as and when appropriate.

## **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, 16 August 2019

*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.*