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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 TRANSACTIONS IN RELATION TO THE DISPOSALS OF THE INVESTMENT FUND**

### **THE DISPOSALS**

The Board is pleased to announce that, on 10 April 2020, the Vendor and the Purchasers entered into the Debt Settlement Agreements respectively, pursuant to which the Vendor agreed to sell, and the Purchaser 1 and Purchaser 2 agreed to acquire, certain interests in the Investment Fund at a consideration of RMB12.1 million and RMB20 million respectively.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of each of the Disposals is more than 5% but less than 25%, each of the Disposals 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.

### **THE DISPOSALS**

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### **THE DEBT SETTLEMENT AGREEMENT 1**

The major terms of the Debt Settlement Agreement 1 are as follows:

**Parties:**

Vendor: Wuxi Zhongnan Properties Investment Company Limited\* (無錫中南置業投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company

Purchaser 1: Ningbo Huaye Material Technology Company Limited\* (寧波華業材料科技有限公司), 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 1 and its ultimate beneficial owners is not a connected person of the Company and is an Independent Third Party.

**Consideration**

The consideration for the disposal is approximately RMB12.1 million (the "**Consideration 1**"), of which shall be satisfied by the Purchaser 1 by transferring the corresponding interests in the 2nd Tranche 2016 Corporate Bonds to the Vendor or the Vendor's nominees.

The Consideration 1 was arrived at after arm's length negotiations between the Vendor and the Purchaser 1, 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 Investment Fund.

**The Investment Fund to be disposed**

The Investment Fund is a collective investment fund scheme established by Zhonghai Trust Co., Ltd.\* (中海信託股份有限公司) ("**Zhonghai Trust**") comprising several investments including investments in bonds of listed companies in the Shanghai Stock Exchange, fixed deposits in the currency of RMB and deposits in the currency of RMB and other foreign currencies.

The Vendor shall dispose of 20,000,0000 units of the Investment Fund to the Purchaser 1 in accordance with the terms and conditions of the Debt Settlement Agreement 1. According to the information published by Zhonghai Trust, the total market value of the Investment Fund to be disposed by the Vendor in respect of the Debt Settlement Agreement 1 as at 3 February 2020 was approximately RMB10 million (i.e. approximately RMB0.49984 per unit).

## THE DEBT SETTLEMENT AGREEMENT 2

The major terms of the Debt Settlement Agreement 2 are as follows:

### Parties:

Vendor: Wuxi Zhongnan Properties Investment Company Limited\* (無錫中南置業投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company

Purchaser 2: Ningbo Qichuang Properties Company Limited\* (寧波啟創置業有限公司), 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 2 and its ultimate beneficial owners is not a connected person of the Company and is an Independent Third Party.

### Consideration

The consideration for the disposal is approximately RMB20 million (the "**Consideration 2**"), of which shall be satisfied by the Purchaser 2 by transferring the corresponding interests in the 1st Tranche 2017 Corporate Bonds to the Vendor or the Vendor's nominees.

The Consideration 2 was arrived at after arm's length negotiations between the Vendor and the Purchaser 2, taking into account (i) the reasons for the disposal as disclosed in the section headed "Reasons for and Benefits of the Disposals" in this announcement and (ii) the market value of the Investment Fund.

### The Investment Fund to be disposed

The Investment Fund is a collective investment fund scheme established by Zhonghai Trust Co., Ltd.\* (中海信託股份有限公司) ("**Zhonghai Trust**") comprising several investments including investments in bonds of listed companies in the Shanghai Stock Exchange, fixed deposits in the currency of RMB and deposits in the currency of RMB and other foreign currencies.

The Vendor shall dispose of 40,000,000 units of the Investment Fund to the Purchaser 2 in accordance with the Debt Settlement Agreement 2. According to the information published by Zhonghai Trust, the total market value of the Investment Fund to be disposed by the Vendor in respect of Debt Settlement Agreement 2 as at 3 February 2020 was approximately RMB19.99 million (i.e. approximately RMB0.49984 per unit).

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

The purpose of the Disposals is for the Group to set off certain debts in the 1st Tranche 2017 Corporate Bonds and the 2nd Tranche 2016 Corporate Bonds. The Directors are of the view that the terms and conditions of the Debt Settlement Agreement 1 and Debt Settlement Agreement 2 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 PURCHASERS**

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 1st Tranche 2017 Corporate Bonds and the 2nd Tranche 2016 Corporate Bonds).

The Purchaser 1 is the beneficial owner of some of the 2nd Tranche 2016 Corporate Bonds. To the best of the Directors' knowledge and information, the Purchaser 1 principally engages in inter alia, investment holding.

The Purchaser 2 is the beneficial owner of some of the 1st Tranche 2017 Corporate Bonds. To the best of the Directors' knowledge and information, the Purchaser 2 principally engages in, inter alia, investment holding.

## **FINANCIAL IMPACT OF THE DISPOSALS**

Upon completion of the Disposals, it is estimated that the Group will record a gain of approximately RMB2.11 million which is calculated on the basis of the difference between the amount of the aggregate consideration and the market value of the Investment Fund of approximately RMB29.99 million.

Shareholders should note that the above figures are for illustrative purpose only. The actual gain or loss arising from the Disposals may be different from the above estimation and will be determined based on the valuation of the Investment Fund and the relevant expenses incurred on the Disposals and is subject to review by the Company's auditors.

## **LISTING RULES IMPLICATIONS**

As the highest percentage ratio (as defined under the Listing Rules) in respect of each of the Disposals is more than 5% but less than 25%, each of the Disposals 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 Disposals, the Debt Settlement Agreement 1 and the Debt Settlement Agreement 2.

## DEFINITIONS

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

“1st Tranche 2017 Corporate Bonds”	1st Tranche 2017 non-public offering corporate bonds issued by the Wuxi Wuzhou (無錫五洲國際裝飾城有限公司非公開發行2017年公司債券(第一期)) on 10 January 2017 which is also referred as “17錫洲01”;
“2nd Tranche 2016 Corporate Bonds”	2nd Tranche 2016 non-public offering corporate bonds issued by the Wuxi Wuzhou (無錫五洲國際裝飾城有限公司非公開發行2016年公司債券(第二期)) on 16 September 2016 which is also referred as “16錫洲02”;
“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;
“Debt Settlement Agreement 1”	the debt settlement agreement dated 10 April 2020 entered into between the Vendor and the Purchaser 1 in respect of the disposal;
“Debt Settlement Agreement 2”	the debt settlement agreement dated 10 April 2020 entered into between the Vendor and the Purchaser 2 in respect of the disposal;
“Debt Settlement Agreements”	collectively, Debt Settlement Agreement 1 and Debt Settlement Agreement 2;
“Director(s)”	the director(s) of the Company;
“Disposals”	the disposals of the Investment Fund by the Vendor in accordance with the terms and conditions of the Debt Settlement Agreement 1 and Debt Settlement Agreement 2;
“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;
“Investment Fund”	Zhonghai Trust – Huayi Pure Bond No. 6 Collective Funds Trust Scheme* (中海信託-華溢純債6號集合資金信託計畫);
“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);
“Purchaser 1”	Ningbo Huaye Material Technology Company Limited* (寧波華業材料科技有限公司), a company established in the PRC with limited liability;
“Purchaser 2”	Ningbo Qichuang Properties Company Limited* (寧波啟創置業有限公司), a company established in the PRC with limited liability;
“Purchasers”	collectively, Purchaser 1 and Purchaser 2;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary shares of US\$0.01 in the share capital of the Issuer, and where applicable, the term shall also include shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares and a “Share” shall refer to each and any one of such shares;
“Shareholder(s)”	holder(s) of the issued Share(s);
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Vendor”	Wuxi Zhongnan Properties Investment Company Limited* (無錫中南置業投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company;

“Wuxi Wuzhou”

無錫五洲國際裝飾城有限公司(Wuxi Wuzhou Ornament City Co. Limited\*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company; and

“%”

per cent.

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

Hong Kong, 16 April 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 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.*