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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 MEDIATION

The purpose of this announcement is to keep the shareholders and potential investors of Wuzhou International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) informed of the major mediation the Group is involved for the time being.

DISPUTE OVER FINANCIAL LOAN AGREEMENT SETTLED THROUGH COURT MEDIATION

The Nanjing Branch of Bank of East Asia (China) Co., Ltd., the Wuxi Branch of Bank of East Asia (China) Co., Ltd., (together as the “**Applicants**”) and two subsidiaries of the Company, Shu Cecheng and two other companies (together as “**Respondents**”) entered into a financial loan agreement and some ancillary agreements (together as the “**Financial Loan Agreements**”). Thereafter, the Applicants and the Respondents were in disputes and the parties applied to the Higher People’s Court of Jiangsu Province (the “**Court**”) for mediation with a view to settle the same. On 18 September 2019, the Applicants assigned the rights under the Financial Loan Agreements to ZheJiang Runyu Commercial Management Development Co., Ltd.* (浙江潤宇商業管理發展有限公司) (“**ZheJiang Runyu**”), as a result of which, ZheJiang Runyu assumed the rights as the creditor under the Financial Loan Agreements and applied to the Court to be joined in the relevant mediation. On 23 April 2020, the parties, at the mediation hosted by the Court, agreed to settle the case and entered into a settlement agreement (the “**Settlement Agreement**”). Subsequent to the execution of the Settlement Agreement, on 24 April 2020, one of the subsidiary of the Company, namely Wuxi LongXiang Investment Co., Ltd.* (無錫市龍祥投資有限公司) (“**Wuxi LongXiang**”), entered into a supplemental settlement agreement with ZheJiang Runyu setting out some additional settlement terms (the “**Supplemental Settlement Agreement**”).

SALIENT TERMS OF THE SETTLEMENT AGREEMENT AND THE SUPPLEMENTAL SETTLEMENT AGREEMENT

Pursuant to the Settlement Agreement, the parties thereto agreed, inter alias, that:

1. the outstanding debt to be repaid by the Respondents to ZheJiang Runyu shall be in the total sum of RMB167,859,052 (the “**Outstanding Debt**”) representing the total of the principal of the loan in the sum of RMB144,444,000, the interest payable, and the legal and litigation fees incurred;
2. the Respondents shall repay the Outstanding Debt in the following manners:
 - a. to pay a sum of RMB20,000,000 on or before 30 April 2020;
 - b. to pay a monthly sum of no less than RMB15,000,000 commencing from May 2020 until the Outstanding Debt shall have been paid in full; and
3. in the event that the Respondents default in repayment of the Outstanding Debt as set out in the Settlement Agreement:–
 - a. the unpaid balance of the Outstanding Debt shall become immediately due and payable and default interests shall be calculated at the rate of 10% per annum;
 - b. ZheJiang Runyu shall have priority over the proceeds from the properties mortgaged by the Respondents (the “**Mortgaged Properties**”).

Pursuant to the Supplemental Settlement Agreement, the parties thereto agreed, inter alias, that:

1. Wuxi LongXiang or its nominee shall have the right to redeem the Mortgaged Properties at the price of not less than RMB3,500 per square meter;
2. at the request of Wuxi LongXiang, ZheJiang Runyu shall release its charge and sealing up arrangement over the Mortgaged Properties to facilitate the sale of the Mortgaged Properties (the “**Sale**”) PROVIDED THAT the proceeds of the Sale shall be distributed in the following sequences:
 - a. first, to be applied for settlement of the fees, costs and commissions incurred in the Sale (“**Costs of Sale**”);
 - b. 85% of the proceeds after deduction of the Costs of Sale shall be applied as repayment of the Outstanding Debt to ZheJiang Runyu; and
 - c. the remaining 15% shall be used to settle any tax obligation of Wuxi LongXiang in respect of the Sale and any other costs incurred by Wuxi LongXiang in respect thereof;

3. ZheJiang Runyu shall have the right to nominate and appoint any third party company/ies to conduct the Sale and Wuxi LongXiang shall use its endeavours to assist such arrangement for the Sale; and
4. in the event that the Respondents default in repayment of the Outstanding Debt as set out in the Settlement Agreement, ZheJiang Runyu shall have the right to terminate the Supplemental Settlement Agreement unilaterally.

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, 5 May 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.*