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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 ARBITRATION

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 arbitration the Group is involved for the time being.

ARBITRATION IN RESPECT OF DISPUTES OVER CONTRACT

An arbitration in respect of disputes over contract has been taken out by Rui’an Jiangnan New Area Development & Construction Administration Committee* (瑞安江南新區開發建設管理委員會) (“**Rui’an Jiangnan**”) to the Wenzhou Arbitration Commission (the “**WAC**”) against two subsidiaries of the Company (the “**Defendants**”), namely Wuxi Wuzhou International Ornamental City Co., Ltd* (無錫五洲國際裝飾城有限公司) and Ruian Wuzhou International Commercial City Co., Ltd* (瑞安市五洲國際商貿城有限公司).

Pursuant to the application for arbitration dated 30 April 2020 (the “**Arbitration Application**”) received by the Group recently, Rui’an Jiangnan entered into a contract with the Defendants for the development of a project involving 134 acres of Phase One of the Building Materials Decoration City* (建設建材裝飾城一期) (the “**Project**”) on or about 6 January 2013 (the “**Contract**”), pursuant to which the Defendants shall pay to Rui’an Jiangnan liquidated damages in the event that starting from the fourth year since the commencement of the operation of the Project, the annual tax payable under the Project fails to reach RMB300,000 or above per arce. As set out in the Arbitration Application, the Project failed to reach the said target tax amount in 2019 and as a result, Rui’an Jiangnan applied to WAC for an arbitral award that the Defendants shall pay to Rui’an Jiangnan the liquidated damages to be calculated on the basis of RMB200,000 per acre as stipulated in the Contract.

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, 3 June 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.*