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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: 1369)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSALS OF THE PROPERTIES

THE DISPOSALS

The Board is pleased to announce that, on 4 August 2020, the Vendor and the Purchasers entered into the Agreements of Property Sale and Bonds Cancellation respectively, pursuant to which the Vendor agreed to sell, and the Purchaser 1 and Purchaser 2 agreed to acquire the Property 1 and Property 2 at a consideration of approximately RMB43.74 million and approximately RMB20.22 million respectively.

LISTING RULES IMPLICATIONS

As the highest applicable 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 Disposal 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.

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THE AGREEMENT OF PROPERTY SALE AND BONDS CANCELLATION 1

The major terms of the Agreement of Property Sale and Bonds Cancellation 1 are as follows:

Date: 4 August 2020

Parties:

Vendor: Wuxi Longxiang Investment Company Limited* (無錫市龍祥投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company

Purchaser 1: Zhengzhou Ruimaotong Supply Chain Company Limited* (鄭州瑞茂通供應鏈有限公司), 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 1 is approximately RMB43.74 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 1 as disclosed in the section headed “Reasons for and Benefits of the Disposal” in this announcement and (ii) the valuation of the Property 1.

The Property to be disposed

The property to be disposed comprises 52 commercial property units situated on the 5/F of Area A of Wuzhou Galaxy City in No. 313 Guangyi Road, Wuxi City (無錫市廣益路313號五洲銀河城), with a total gross floor area of 8,748.14 square metres.

According to the valuation provided by an independent valuer, the market value of the Property 1 to be disposed by the Vendor in respect of the Agreement of Property Sale and Bonds Cancellation 1 as at 31 December 2019 was approximately RMB51.14 million (i.e. approximately RMB5,846 per square metre).

REASONS FOR AND BENEFITS OF THE DISPOSAL 1

The purpose of the Disposal 1 is for the Group to set off certain debts in the 2nd Tranche 2016 Corporate Bonds. The Directors are of the view that the terms and conditions of the Agreement of Property Sale and Bonds Cancellation are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSAL 1

Upon completion of the Disposal 1, it is estimated that the Group will record a loss of approximately RMB9.48 million (net of tax) which is calculated on the basis of the difference between the net amount of the consideration and the valuation of the Property 1 of approximately RMB51.14 million.

Shareholders should note that the above figures are for illustrative purpose only. The actual gain or loss arising from the Disposal 1 may be different from the above estimation and will be determined based on the valuation of the Property 1 and the relevant expenses incurred on the Disposal 1 and is subject to review by the Company's auditors.

THE AGREEMENT OF PROPERTY SALE AND BONDS CANCELLATION 2

The major terms of the Agreement of Property Sale and Bonds Cancellation 2 are as follows:

Date: 4 August 2020

Parties:

Vendor: Wuxi Longxiang Investment Company Limited* (無錫市龍祥投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company

Purchaser 2: Henan Yian Supply Chain Management Company Limited* (河南怡安供應鏈管理有限公司), 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 2 is approximately RMB20.22 million (the "**Consideration 2**"), of which shall be satisfied by the Purchaser 2 by transferring the corresponding interests in the 2nd Tranche 2016 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 2 as disclosed in the section headed "Reasons for and Benefits of the Disposal" in this announcement and (ii) the valuation of the Property 2.

The Property to be disposed

The property to be disposed comprises 71 commercial property units situated on the 4/F of Area C of Wuzhou Galaxy City in No. 313 Guangyi Road, Wuxi City (無錫市廣益路313號五洲銀河城), with a total gross floor area of 3,369.65 square metres.

According to the valuation provided by an independent valuer, the market value of the Property 2 to be disposed by the Vendor in respect of the Agreement of Property Sale and Bonds Cancellation 2 as at 31 December 2019 was approximately RMB20.24 million (i.e. approximately RMB6,023 per square metre).

REASONS FOR AND BENEFITS OF THE DISPOSAL 2

The purpose of the Disposal 2 is for the Group to set off certain debts in the 2nd Tranche 2016 Corporate Bonds. The Directors are of the view that the terms and conditions of the Agreement of Property Sale and Bonds Cancellation 2 are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSAL 2

Upon completion of the Disposal 2, it is estimated that the Group will record a loss of approximately RMB1.04 million (net of tax) which is calculated on the basis of the difference between the net amount of the Consideration 2 and the valuation of the Property 2 of approximately RMB20.24 million.

Shareholders should note that the above figures are for illustrative purpose only. The actual gain or loss arising from the Disposal 2 may be different from the above estimation and will be determined based on the valuation of the Property 2 and the relevant expenses incurred on the Disposal and is subject to review by the Company's auditors.

INFORMATION ABOUT THE COMPANY, THE VENDOR, THE PURCHASER 1 AND THE PURCHASER 2

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 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, enterprise management consultancy, trading of fuels, import and export of goods. The ultimate beneficial owner of the Purchaser 1 is Mr. Wang Dongsheng*, a Chinese citizen and businessman.

The Purchaser 2 is the beneficial owner of some of the 2nd Tranche 2016 Corporate Bonds. To the best of the Directors' knowledge and information, the Purchaser 2 principally engages in inter alia, enterprise management consultancy, leasing of warehouses, leasing of logistic equipment and computer and internet technology development. The ultimate beneficial owner of the Purchaser 2 is Mr. Wan Yongxing*, a Chinese citizen and businessman.

LISTING RULES IMPLICATIONS

As the highest percentage ratio (as defined under the Listing Rules) in respect 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 transactions and has abstained from voting on the board resolutions approving the Disposals and the Agreements of Property Sale and Bonds Cancellation.

DEFINITIONS

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

“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”;
“Agreement of Property Sale and Bonds Cancellation 1”	the agreement of property sale and bonds cancellation dated 4 August 2020 entered into between the Vendor and the Purchaser 1 in respect of the Disposal 1;
“Agreement of Property Sale and Bonds Cancellation 2”	the agreement of property sale and bonds cancellation dated 4 August 2020 entered into between the Vendor and the Purchaser 2 in respect of the Disposal 2;
“Agreements of Property Sale and Bonds Cancellation”	collectively the Agreement of Property Sale and Bonds Cancellation 1 and Agreement of Property Sale and Bonds Cancellation 2
“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;
“Director(s)”	the director(s) of the Company;
“Disposal 1”	the proposed disposals of the Property 1 by the Vendor in accordance with the terms and conditions of the Agreement of Property Sale and Bonds Cancellation 1;
“Disposal 2”	the proposed disposals of the Property 2 by the Vendor in accordance with the terms and conditions of the Agreement of Property Sale and Bonds Cancellation 2;
“Disposals”	collectively the Disposal 1 and Disposal 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;
“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);
“Property 1”	a total of 52 commercial property units situated on the 5/F of Area A of Wuzhou Galaxy City in No. 313 Guangyi Road, Wuxi City (無錫市廣益路313號五洲銀河城), with a total gross floor area of 8,748.14 square metres
“Property 2”	a total of 71 commercial property units situated on the 4/F of Area C of Wuzhou Galaxy City in No. 313 Guangyi Road, Wuxi City (無錫市廣益路313號五洲銀河城), with a total gross floor area of 3,369.65 square metres

“Purchaser 1”	Zhengzhou Ruimaotong Company Limited* (鄭州瑞茂通供應鏈有限公司), a company established in the PRC with limited liability;
“Purchaser 2”	Henan Yian Supply Chain Management Company Limited* (河南怡安供應鏈管理有限公司), a company established in the PRC with limited liability
“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 Longxiang Investment Company Limited* (無錫市龍祥投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company;
“Wuxi Wuzhou”	Wuxi Wuzhou Ornament City Company Limited* (無錫五洲國際裝飾城有限公司), 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
Shen Xiaowei
Executive Director

Hong Kong, 4 August 2020

As at the date of this announcement, the Board comprises four executive Directors, being Mr. Shen Xiaowei (Chief Executive Officer), Mr. Zhu Yongqiu, 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.*