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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)

QUARTERLY ANNOUNCEMENT

PROGRESS OF FULFILLMENT OF RESUMPTION GUIDANCE

As at the date of this announcement, the Board is of the view that Company has already taken steps which it believes to have fulfilled all Resumption Guidance, save and except for RG3. The Company is currently working with its advisors to complete the remaining steps to implement the Group Restructuring and thereby fulfill the remaining Resumption Guidance.

On 24 August 2020, the Company made a submission to the Listing Review Committee in support of the resumption of trading in the Company's shares, including, among other things, (i) the status of fulfilment of the Resumption Guidance; and (ii) the implementation of the Group Restructuring.

CONTINUED SUSPENSION OF TRADING

Trading in the shares on the Stock Exchange will continue to be suspended pending the fulfillment of all the Resumption Guidance.

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of Wuzhou International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 and Rule 13.24A 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).

Reference is made to (i) the announcement of the Company dated 2 September 2018 in relation to delay in publication of interim results for the six months ended 30 June 2018 (the "**2018 Interim Results**") and trading suspension in the shares of the Company, (ii) the announcement of the Company dated 15 November 2018 in relation to, among others, the resumption guidance (the "**Initial Resumption Guidance**") issued by the Stock Exchange and the announcement of the Company dated 21 October 2019 in relation to, among others,

the additional resumption guidance (the “**Additional Resumption Guidance**“, which together with the Initial Resumption Guidance, the “**Resumption Guidance**”) issued by the Stock Exchange, (iii) the announcement of the Company dated 29 March 2019 in relation to further delay in publication of the 2018 Interim Results and delay in publication of the annual results announcement for the year ended 31 December 2018 (the “**2018 Annual Results**”), (iv) the announcement of the Company dated 30 August 2019 in relation to the further delay in publication of the 2018 Interim Results and 2018 Annual Results and delay in publication of the interim results for the six months ended 30 June 2019 (the “**2019 Interim Results**”), (v) the announcement of the Company dated 31 March 2020 in relation to the further delay in publication of the 2018 Interim Results, 2018 Annual Results and 2019 Interim Results and delay in publication of the annual results for the year ended 31 December 2019 (the “**2019 Annual Results**”), (vi) the two announcements of the Company, both dated 19 August 2020 in relation to the publication of the 2018 Interim Results and the 2018 Annual Results respectively, (vii) the two announcements of the Company, both dated 19 August 2020 in relation to the publication of the 2019 Interim Results and the 2019 Annual Results respectively, (viii) the announcement of the Company dated 31 August 2020 in relation to the publication of the interim results of the six months ended 30 June 2020 (the “**2020 Interim Results**”), (ix) the announcements of the Company dated 19 June 2019 and 23 July 2020 in relation to the restructuring of the Board which included, inter alia, the resignation of Mr. Shu Cecheng and Mr. Shu Cewan from the Board and other positions held in the Company, (x) the announcement of the Company dated 21 August 2020 in relation to the voluntary winding-up of Hong Kong Wuzhou International Group Limited (“**Hong Kong Wuzhou**”), (xi) the announcements of the Company dated 20 September 2019, 18 October 2019, 28 October 2019 and 24 August 2020 in relation to the update on the special investigation committee (“**SIC**”) of the Company which set out the findings of the independent review by RSM Corporate Advisory (Hong Kong) Limited (the “**Independent Advisor**”) and Zhonghui ANDA Risk Services Limited (the “**Internal Control Consultant**”), the recommendation of the SIC and the remedial actions taken by the Board, (xii) the announcement of the Company dated 24 August 2020 in relation to the status of resumption which involved a subscription agreement (the “**Subscription**”) and (xiii) the quarterly announcements of the Company dated 3 December 2018, 4 March 2019, 4 June 2019, 3 September 2019, 3 December 2019, 3 March 2020 and 3 June 2020 (collectively, the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

PROGRESS OF FULFILLMENT OF RESUMPTION GUIDANCE

Summarised below are the Resumption Guidance as stated in the Resumption Guidance Announcements and the status of the Company in fulfilling the Resumption Guidance:

Resumption Guidance	Status
1. publish all outstanding financial results and address any audit modifications (“ RG1 ”);	The Company has taken steps which it believes to have fulfilled RG1.
2. conduct an appropriate investigation into the Suspected Unapproved Transfers (as defined in the announcement of the Company dated 30 October 2018), announce the findings and take appropriate remedial actions (“ RG2 ”);	The Company has taken steps which it believes to have fulfilled RG2.
3. demonstrate its compliance with Rule 13.24 of the Listing Rules (“ RG3 ”);	Subject to the completion of the remaining steps necessary to implement the Group’s restructuring, the Company has taken steps which it believes to have fulfilled RG3.
4. inform the market of all material information for shareholders and investors to appraise the Company’s position (“ RG4 ”);	The Company has taken steps which it believes to have fulfilled RG4 to date.
5. demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules (“ RG5 ”);	The Company has taken steps which it believes to have fulfilled RG5.
6. demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company’s management and operations, which will pose a risk to investors and damage market confidence (“ RG6 ”); and	The Company has taken steps which it believes to have fulfilled RG6.

Resumption Guidance

Status

7. demonstrate that all directors of the Company meet a standard of competence commensurate with their position as directors of a listed issuer to fulfil duties of skill, care and diligence as required under Rule 3.08 and 3.09 of the Listing Rules (“**RG7**”).

The Company has taken steps which it believes to have fulfilled RG7.

As disclosed in the announcement of the Company dated 22 March 2020, the Company received a letter on 13 March 2020 from the Stock Exchange to inform the Company the decision of the Listing Committee of the Stock Exchange (the “**Listing Committee**”) to cancel the Company’s listing under Rule 6.01A of the Listing Rules (the “**Delisting Decision**”). The Company has submitted a request to the Listing Review Committee of the Stock Exchange (the “**Listing Review Committee**”) on 24 March 2020 for review of the Delisting Decision pursuant to Rule 2B.06(2) of the Listing Rules.

On 24 August 2020, the Company made a submission to the Listing Review Committee in support of the resumption of trading in the Company’s shares, involving, among other things, (i) the status of fulfillment of the Resumption Guidance; and (ii) the implementation of the Group’s restructuring (the “**Group Restructuring**”).

DETAILS OF PROGRESS OF FULFILLING THE RESUMPTION GUIDANCE

The Company has taken actions with a view to fulfilling the Resumption Guidance, a summary of which is set out below.

1. The First Resumption Guidance — Publication of all outstanding financial results

FY2018 and FY2019 Annual Results and FY2018 and FY2019 Interim Results

On 19 August 2020, the Company published the annual results of the Group for the financial years ended 31 December 2018 (“**FY2018**”) and 31 December 2019 (“**FY2019**”) (which have been audited by the auditors of the Company (the “**Auditors**”)) and the interim results of the Group for the six months ended 30 June 2018, 30 June 2019 and 30 June 2020 (which have been reviewed by the Auditors). The Company is in the course of finalising the annual reports for FY2018 and FY2019 and interim reports for the six months ended 30 June 2018, 30 June 2019 and 30 June 2020. It is expected that the respective annual reports and interim reports will be despatched to the shareholders of the Company (the “**Shareholders**”) no later than 30 September 2020.

Audit Qualifications

For the audited annual financial statements for FY2018 and FY2019, the Auditors expressed disclaimer of opinion. The matters which gave rise to the disclaimer of opinion and the manner in which such audit qualifications will be addressed and the expected timing of removal of audit qualifications are detailed as follows:

Basis of disclaimer of opinion	Addressing the audit qualifications and the expected timing of removal of audit qualifications
<i>1. Limited accounting books and records of subsidiaries disposed</i>	The Group was not able to provide the books and records of the Disposal Subsidiaries, which were transferred to purchasers during the financial year ended 31 December 2018, as all relevant books and records were passed to the purchasers upon disposal of the Disposal Subsidiaries.
Certain subsidiaries of the Company (the “ Disposal Subsidiaries ”) have been disposed or deemed to have been disposed for the year ended 31 December 2018, the accounting books and records in respect of the Disposal Subsidiaries were unable to be obtained for the year ended 31 December 2018 and 2017. Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of the Disposal Subsidiaries, the Auditors were unable to obtain sufficient appropriate audit evidence as to whether the loss on disposal of subsidiaries of approximately RMB424,554,000 for the year ended 31 December 2018 have been accurately recorded and properly accounted for in the consolidated financial statements and the completeness of opening balances and comparative figures of the Disposal Subsidiaries.	In the absence of such books and records, the Group was unable to provide sufficient and appropriate audit evidence in relation to the opening balances of the Disposal Subsidiaries and the gain and/loss on disposal of the Disposal Subsidiaries. It is expected that this audit qualification will be removed during the year ending 31 December 2020.

Basis of disclaimer of opinion

2. *Limited accounting books and records of a subsidiary*

Wuxi Wuzhou International Ornament City Co., Ltd.* (無錫五洲國際裝飾城有限公司), an indirectly wholly-owned subsidiary of the Company, has been under a pending litigation and relevant accounting books and records have been held in custody by the court. Due to the insufficiency of supporting documentation and explanations for accounting books and records of the said subsidiary, the Auditors were unable to carry out the audit procedures as to whether the income and expenses of the said subsidiary in FY2019, FY2018 and the financial year ended 31 December 2017 (“FY2017”) and the assets and liabilities as at 31 December 2019, 2018 and 2017, and the segment information and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements.

Addressing the audit qualifications and the expected timing of removal of audit qualifications

As part of the Group Restructuring, under which the subsidiary has been carved out from the Group and its results as well as the assets and liabilities will be deconsolidated from the Group.

It is expected that this audit qualification will be removed during the year ending 31 December 2021.

Basis of disclaimer of opinion

3. *Trade receivables and prepayments, deposits and other receivables*

The Auditors were unable to obtain sufficient audit evidences as to the recoverability and carrying value of certain trade receivables and prepayment, deposit and other receivables as at 31 December 2019 and 2018, and whether the impairment of trade receivables and prepayments, deposits and other receivables are properly recorded in FY2019 and FY2018.

4. *Properties for sale under development and properties held for sale*

The Auditors were unable to obtain sufficient audit evidences as to the recoverability and carrying amount of properties for sale under development and properties held for sale as at 31 December 2019 and 2018, and whether the impairment of properties for sale under development and properties held for sale are properly recorded in FY2019 and FY2018.

Addressing the audit qualifications and the expected timing of removal of audit qualifications

The Group is not able to provide sufficient audit evidence in this regard because a number of subsidiaries of the Group are involved in multiple on-going litigation proceedings in the PRC in relation to the indebtedness of the Group, the properties and assets of the Group may, at any time, subject to the granting of arbitration awards by the courts, be seized and/or go into auction for repayment of its debt. Hence, there is a material uncertainty on the recoverability of the assets in relation to the development of its properties as the Group may not be able to utilise its resources as planned to develop and complete its projects.

As part of the Group Restructuring, under which these subsidiaries have been carved out from the Group and trade receivables and prepayments, deposits and other receivables of which will be deconsolidated from the Group.

It is expected that this audit qualification will be removed during the year ending 31 December 2021.

The Group was not able to provide sufficient audit evidence in this regard for the reason as set out in 3 above.

As part of the Group Restructuring, under which these subsidiaries have be carved out from the Group, such properties for sale under development and properties held for sale will be deconsolidated from the Group.

It is expected that this audit qualification will be removed during the year ending 31 December 2021.

Basis of disclaimer of opinion

5. *Investments in associates and share of loss of associates*

The Auditors were unable to obtain sufficient audit evidences as to (i) the carrying amount of investments in associates at 31 December 2019, 2018 and 2017 are fairly stated; (ii) the Group's share of loss of associates in FY2019, FY2018 and FY2017 are fairly stated; and (iii) the accuracy of the disclosures in relation to the investments in associates.

6. *Investments in a joint venture and share of loss of a joint venture*

The Auditors were unable to obtain sufficient audit evidences as to (i) the carrying amount of investments in a joint venture at 31 December 2019, 2018 and 2017 are fairly stated; (ii) the Group's share result of a joint venture in FY2019, FY2018 and FY2017 are fairly stated; and (iii) the accuracy of the disclosures in relation to the investments in a joint venture.

7. *Investments at fair value through profit or loss*

The Auditors were unable to obtain sufficient audit evidences as to (i) the fair value on investments at fair value through profit or loss as at 31 December 2019, 2018 and 2017 are fairly stated; (ii) the fair value changes on investments at fair value through profit or loss in FY2019, FY2018 and FY2017 are fairly stated; and (iii) the accuracy of the disclosures in relation to the investments at fair value through profit or loss.

Addressing the audit qualifications and the expected timing of removal of audit qualifications

As part of the Group Restructuring, under which the Group's subsidiaries interested in the shares of the associates have been carved out from the Group, such investments in associates will be deconsolidated from the Group.

It is expected that this audit qualification will be removed during the year ending 31 December 2021.

As part of the Group Restructuring, under which the Group's subsidiary interested in the shares of the joint venture has been carved out from the Group, such investments in a joint venture will be deconsolidated from the Group.

It is expected that this audit qualification will be removed during the year ending 31 December 2021.

As part of the Group Restructuring, under which the Group's subsidiaries carrying the investments at fair value through profit or loss have been carved out from the Group, such investments at fair value through profit or loss will be deconsolidated from the Group.

It is expected that this audit qualification will be removed during the year ending 31 December 2021.

Basis of disclaimer of opinion

8. *Going concern*

The Group incurred substantial loss attributable to owners of the Company in FY2019 and FY2018 and the Group has net current liabilities and net liabilities as at 31 December 2019 and 2018. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

9. *Contingent liabilities*

Insufficient evidence as to the existence and completeness of the disclosure of contingent liabilities arising from litigations of the Group as at 31 December 2019 and 2018.

Addressing the audit qualifications and the expected timing of removal of audit qualifications

Subject to the completion of the Group Restructuring, the liabilities of the Company will be fully discharged and the indebtedness of the remaining Group will be reduced substantially such that the Group will continue to meet in full its financial obligations as they fall due in the future.

It is expected that this audit qualification will be removed during the year ending 31 December 2021 following the completion of the Group Restructuring.

The Group was not able to provide sufficient audit evidence in this regard due to the material uncertainty of the outcome of some of the proceedings against members of the Group resulting from the financial difficulties of the Group and the Group has not been able to perform detailed assessment on the financial impact in respect of the contingent liabilities arising from such proceedings since 2018.

As part of the Group Restructuring, the proceedings with material uncertainty against the Group have been removed.

It is expected that this audit qualification will be removed during the year ending 31 December 2021 and the Company will be able to make appropriate disclosures as required under the International Financial Reporting Standards.

The Board is of the view, and which the Audit Committee of the Company concurs, that the issue underlying the basis for the Auditor's disclaimer of opinion have been addressed and resolved. Please refer to the relevant annual results announcements for the Auditor's disclaimer of opinion and their basis for disclaimer of opinion.

Based on the information made available to the Auditor as at the date of this announcement and upon the completion of the Group Restructuring in 2020, they are not aware of any circumstances that may lead to their disclaimer of opinion in respect of the audited annual financial statements of the Group for the year ending 31 December 2021 (save and except for the audit qualification on the corresponding figures for the prior period).

On the basis of the above, the Board is of the view that the Company has taken steps which it believes to have fulfilled RG1.

2. The Second Resumption Guidance — Investigation into the Suspected Unapproved Transfers, announce the findings and take appropriate remedial actions

References are made to (i) the announcement of the Company dated 17 September 2018 in relation to the establishment of the SIC to investigate the matters concerning the Suspected Unapproved Transfers; and (ii) the announcement of the Company dated 30 October 2018 in relation to the engagement of the Independent Advisor to perform an independent review into the Suspected Unapproved Transfers.

On 20 September 2019, the Company announced that the Independent Advisor has provided a preliminary draft report (the “**Preliminary Report**”) to the SIC on the Suspected Unapproved Transfers. The Company has published the preliminary findings in the Preliminary Report on 28 October 2019. Upon being presented with the preliminary report, the SIC resolved, among other things, to confirm with the Independent Advisor as to whether there is any Unauthorised Fund Transfers between April and July 2018 (the “**Relevant Period**”).

The Independent Advisor has completed its findings in relation to the Suspected Unapproved Transfers and the Unauthorized Fund Transfer and submitted their final reports (the “**Final Reports**”) to the SIC. The key findings of the Independent Advisor are set out in the announcement of the Company dated 24 August 2020 (the “**Investigation Result Announcement**”).

As stated in the Investigation Result Announcement, the SIC has carefully considered the findings of the Final Reports and has made recommendations to the Board. The Board, having reviewed, considered and endorsed the Final Reports and the views and recommendations from the SIC, has engaged the Internal Control Consultant to review the internal control system and financial reporting procedures of the Group (the “**Internal Control Review**”) and has adopted the recommendations of the Internal Control Consultant and taken immediate remedial actions to address concerns over the internal control of the Group including implementing measures to enhance the internal control of the Group and seeking legal advice on the Suspected Unapproved Transfers. It is worth noting that the Internal Control Consultant was satisfied that the Company has implemented the recommended improvements and/or remedial measures and, as at the date of the internal control review report, no material deficiency in the Group’s internal control was brought to its attention.

On the basis of the above, the Board is of the view that the Company has taken steps which it believes to have fulfilled RG2.

3. **The Third Resumption Guidance — Compliance with Rule 13.24 of the Listing Rules**

The Group is principally engaged in property development, and it mainly generates its revenue from (i) sale of properties, (ii) rental income, (iii) commercial management service and property management service and (iv) property consulting service. The Group continued its normal business operations despite the suspension of trading in the Company's shares.

The Group Restructuring

The Company is implementing the Group Restructuring, which involves, inter alia, (i) the reorganisation of the share capital of the Company; (ii) the reorganisation of the Group (the “**Group Reorganisation**”) which involves (a) the reorganisation of shareholding structure of certain subsidiaries of the Group and (b) the carve out of certain subsidiaries of the Group by way of creditor's voluntary winding up of Hong Kong Wuzhou; and (iii) the debt restructuring at the level of the Company which involves (a) the implementation of scheme(s) of arrangement with the creditors of the Company (the “**Debt Restructuring**”) and (b) the subscription of new shares of the Company by the Investor.

Effect of the Group Restructuring

Upon completion of the Group Reorganisation, the Company and the subsidiaries retained by the Company (the “**Retained Group**”) will continue to engage in property development, property investment and provision of property management services in the People's Republic of China (the “**PRC**”). The Retained Group will have 4 property development projects at different stages of development with total planned gross floor area of approximately 1.2 million square meters and approximately 3,600 contracted units for provision of property operation and management services with majority of remaining service terms ranged from 2 to 5 years. The Retained Group will continue to adopt the existing business model and generate sustainable revenue and profits from sale of properties, rental income, commercial management service and property management service and property consulting service.

Subject to the approval of the Company's creditors and the relevant court(s) on the Debt Restructuring, the Company's indebtedness will be novated and discharged by way of implementation of scheme(s) of arrangement with the Company's creditors. Upon completion of the Group Restructuring, the Company will have a business with sustainable profits and sufficient assets to warrant the continued listing of its shares on the Stock Exchange.

During the six months ended 30 June 2020, the Retained Group recorded a revenue of approximately RMB70 million and net operating profit of approximately RMB8.6 million.

On the basis of the above, subject to the completion of the remaining steps to implement the Group Restructuring, the Board is of the view that the Company has taken steps which it believes to have fulfilled RG3.

4. The Forth Resumption Guidance — Inform the market of all material information

Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Directors confirm that to the best of their knowledge, information and belief, save as disclosed in this announcement and the announcements and publications previously made by the Company including but not limited to the announcements in relation to the Resumption Guidance, the Investigation Result Announcement, the announcement in relation to the winding up of Hong Kong Wuzhou, the annual results announcements for FY2018 and FY2019 and the interim results announcements for the six months ended 30 June 2018 and 30 June 2019, the quarterly update announcements in relation to the status of resumption of the Company, the announcements in relation to status of proceedings against the Group, settlement arrangements with creditors and other inside information, there is no other material information that needs to be disclosed pursuant to any of the requirements set out in the Listing Rules, nor are there any other matters that need to be brought to the attention of the shareholders and potential investors of the Company in connection with the Resumption Guidance, and the Directors are not aware of any other inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as at the date of this announcement. The Company will continue to inform the market of all material information as and when appropriate.

On the basis of the above, the Board is of the view that the Company has taken steps which it believes to have fulfilled RG4.

5. The Fifth Resumption Guidance — Internal control review

Reference is made to the Investigation Result Announcement in relation to, among other things, the engagement of the Internal Control Consultant to conduct the Internal Control Review.

The Internal Control Review has been completed and the Internal Control Consultant issued its report on 24 August 2020. As stated in the Investigation Result Announcement, the scope of work of the Internal Control Consultant included an independent assessment of the internal control systems of the Group covering financial reporting procedures, tax reporting procedures, receivables recording and collection procedures, recording procedures on sales process, cash and treasury management, etc.

The Internal Control Consultant recommended improvements and/or remedial measures which addressed, among other things, the recommendations of the SIC. The Company considered and implemented the recommendations of the Internal Control Consultant to strengthen the internal control measures of the Company.

As stated in the Investigation Result Announcement:

- (i) The Internal Control Consultant was satisfied that the Company has implemented the recommended improvements and/or remedial measures and, as at the date of the internal control review report, no material deficiency in the Group's internal control was brought to its attention; and

- (ii) Having reviewed the findings and results of the report on the Internal Control Review prepared by the Internal Control Consultant, and having taken into consideration the improvements and/or remedial measures implemented in accordance with the Internal Control Consultant's recommendations, the Board was of the view that the Company has put in place adequate internal control measures and financial reporting procedures to meet its obligations under the Listing Rules.

On the basis of the above, the Board is of the view that the Company has taken steps which it believes to have fulfilled RG5.

6. The Sixth Resumption Guidance — Demonstration of management integrity

References are made to the Investigation Result Announcement and the announcements of the Company dated 19 June 2019 and 23 July 2020 in relation to, among other things, the resignations of Mr. Shu Cecheng and Mr. Shu Cewan from their positions as executive directors of the Company.

The Suspected Unapproved Transfers took place between 1 January 2018 to 31 July 2018 and Mr. Shu Cecheng and Mr. Shu Cewan, who were responsible for the approval and reporting of the subject entities being transferred failed to discharge their duties to report the transfers to the then board of directors of the Company or sought the approval of the then board of directors of the Company. Mr. Shu Cecheng and Mr. Shu Cewan have resigned as directors of and other positions held within the Company on 19 June 2019 and 23 July 2020, respectively. As at the date of this announcement, neither Mr. Shu Cecheng nor Mr. Shu Cewan hold any position with the Retained Group.

As at the date of this announcement, the Board comprises four executive directors, Mr. Zhu Yongqiu, Mr. Shen Xiaowei, Ms. Cai Qiaoling and Mr. Zhou Chen, and the three independent non-executive directors, Dr. Song Ming, Prof. Shu Guoying and Mr. Liu Chaodong. Apart from Dr. Song Ming and Prof. Shu Guoying, who are independent non-executive directors of the Company since 18 May 2013 and Mr. Zhou Chen, who were appointed as an independent non-executive director of the Company on 1 December 2017 and subsequently re-designated as an executive Director on 7 August 2018, all the other current members of the Board have joined the Company after August 2018, which is after the Suspected Unapproved Transfers having taken place.

Save for Mr. Shu Cecheng and Mr. Shu Cewan, other members of the then board of directors of the Company (including Dr. Song Ming, Prof. Shu Guoying and Mr. Zhou Chen) were not informed of the Suspected Unapproved Transfers at the time when the transactions took place and there has been no evidence to date implicating any of the members of the then board of directors of the Company (including the chief executive officer, the chief financial officer and the chief operating officer) may be involved in the Suspected Unapproved Transfers and the other issues identified in the independent review conducted by the Independent Advisor. The Board therefore remains confident about the integrity of the Directors.

On the basis of the above, the Board is of the view that the Company has taken steps which it believes to have fulfilled RG6.

7. The Seventh Resumption Guidance — Demonstration of Director’s competence

Directors have the competence to fulfill duties of skill, care and diligence

Reference is made to the Investigation Result Announcement. The Suspected Unapproved Transfers and the Unauthorized Fund Transfers were a result of the acts of Mr. Shu Cecheng and Mr. Shu Cewan and certain individuals in the subsidiaries of the Company, none of whom are current members of the Board.

Taking into account the issues which arose from the Suspected Unapproved Transfers and the findings of the Independent Advisor, the composition of the Board has since been optimised. Please refer to the announcements of the Company dated 30 November 2017, 7 August 2018, 19 June 2019 and 23 July 2020 for further details in relation to the change in Directors.

The Board is of the view that each member of the Board had been able to fulfil such duties of skill, care and diligence as required under Rule 3.08 of the Listing Rules. In particular, (i) none of the Directors have been found to be acting in a dishonest, bad faith or similar manner otherwise than in the interests of the Company as a whole, (ii) the Directors have always been acting in the proper purpose to facilitate the Group’s business operations. Please refer to the annual report of the Company despatched on 27 April 2018 and the announcements of the Company dated 30 November 2017 and 7 August 2018 for details of the biographies of the current Directors.

On the basis of the above, the Board is of the view that the Company has taken steps which it believes to have fulfilled RG7.

Fulfillment of the above Resumption Guidance is subject to the Stock Exchange’s confirmation.

As at the date of this announcement, the Board is of the view that Company has already taken steps which it believes to have fulfilled all Resumption Guidance, save and except for RG3. The Company is currently working with its advisors to complete the remaining steps to implement the Group Restructuring and thereby fulfill the remaining Resumption Guidance.

The Company will publish announcement(s) to update its shareholders of any further development of the resumption progress as and when appropriate in compliance with the requirements under the Listing Rules.

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
Shen Xiaowei
Executive Director and Chief Executive Officer

Hong Kong, 3 September 2020

As at the date of this announcement, the Board comprises four executive directors of the Company, being Mr. Shen Xiaowei (Chief Executive Officer), Mr. Zhu Yongqiu, Ms. Cai Qiaoling and Mr. Zhou Chen, and three independent non-executive directors of the Company, 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.*