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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)**

### **(1) PLACING OF EXISTING SHARES AND**

### **(2) SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

**Sole Global Coordinator and Sole Bookrunner**

## **NOMURA**

**Joint Placing Agents**

## **NOMURA**



## **PLACING AND SUBSCRIPTION AGREEMENT**

On 1 June 2015 (after trading hours), the Vendor (being the controlling shareholder of the Company as defined in the Listing Rules), the Beneficial Holder, the Company and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which: (a) the Vendor has appointed the Placing Agents as agents and underwriters, and the Placing Agents have severally agreed to place during the Placing Period, on a best efforts basis, the Sale Shares (being 327,464,000 Shares) at the Placing Price (being HK\$1.42 per Share); and (b) the Vendor has conditionally agreed to subscribe for, and the Company has agreed to allot and issue to the Vendor, the Subscription Shares (being 327,464,000 Shares, which is equivalent to the number of the Sale Shares) at the Subscription Price. The Placing is conditional on certain termination events upon the occurrence of which the Placing will not proceed to Completion unless otherwise waived by the Placing Agents. The Subscription is subject to certain conditions set out below under the paragraph headed “Conditions of the Subscription” below.

The number of Sale Shares represents 7.02% of the issued share capital of the Company as at the date of this announcement and approximately 6.56% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Placing Price of HK\$1.42 per Share, represents:

- (i) a discount of approximately 17.4% to the closing price of HK\$1.72 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 18.9% to the average closing price of HK\$1.75 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and
- (iii) a discount of approximately 19.3% to the average closing price of HK\$1.76 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day.

## **GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES**

The Subscription Shares will be issued and allotted under the General Mandate granted to the Directors to allot, issue and deal with Shares by resolution of the shareholders of the Company passed at the AGM. Under such General Mandate, the Company is authorized to issue up to 932,524,782\* Shares. Save for the Subscription Shares, no Shares have been issued under the General Mandate as of the date of this announcement since it was granted. Accordingly, the Subscription is not subject to any further approval by the shareholders of the Company.

\* Based on the Company’s total issued share capital of 4,662,623,914 Shares as at the date of the AGM.

## **USE OF PROCEEDS**

Subject to the completion of the Placing and Subscription, the net proceeds to be received by the Company, after deduction of all costs and expenses, will be approximately HK\$460 million. Based on such estimated net proceeds, the net subscription price per subscription share is approximately HK\$1.40. Such proceeds are intended for the following purposes:

- (i) debt repayment; and
- (ii) general working capital.

## **PLACING AND SUBSCRIPTION AGREEMENT DATED 1 JUNE 2015**

### **Parties:**

- (i) The Vendor;
- (ii) The Beneficial Holder;
- (iii) The Company; and
- (iv) The Placing Agents.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agents and their ultimate beneficial owners are third parties (i) independent of, and not connected with, nor acting in concert with the Vendor; and (ii) independent of the Company and connected persons of the Company.

### **(1) PLACING**

The Vendor is a controlling shareholder (as defined in the Listing Rules) of the Company. As at the date of this announcement and prior to completion of the Placing and the Subscription, the Vendor holds 3,387,940,295 Shares (representing approximately 72.66% of the issued share capital of the Company).

Pursuant to the Placing and Subscription Agreement, the Vendor has agreed to appoint the Placing Agents as agents and underwriters, and the Placing Agents have severally agreed to place during the Placing Period, on a best efforts basis, the Sale Shares (being 327,464,000 Shares) at the Placing Price (being HK\$1.42 per Share).

### **Placees**

It is expected that there will be no fewer than six Placees. It is not expected that any Placee will become a substantial shareholder (as defined under the Listing Rules) of the Company immediately after the Placing. So far as the Company is aware, such Placees and their ultimate beneficial owners will be third parties independent of and will not be acting in concert with the Vendor, and the Placees and their ultimate beneficial owners are not connected persons of the Company and are independent of and not connected with the Company.

## **Placing Price**

The Placing Price is HK\$1.42 per Share (exclusive of stamp duty, brokerage, Stock Exchange trading fees and SFC transaction levies). The Placing Price of HK\$1.42 per Share represents:

- (i) a discount of approximately 17.4% to the closing price of HK\$1.72 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 18.9% to the average closing price of HK\$1.75 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and
- (iii) a discount of approximately 19.3% to the average closing price of HK\$1.76 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company, the Vendor, the Beneficial Holder and the Placing Agents and was determined in accordance with the terms of the Placing and Subscription Agreement as at the date of the Placing and Subscription Agreement. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the shareholders of the Company as a whole.

## **Number of Sale Shares**

The Sale Shares (being 327,464,000 Shares) represent (i) 7.02% of the existing issued share capital of the Company of 4,662,757,914 Shares as at the date of this announcement, and (ii) approximately 6.56% of the issued share capital of the Company of 4,990,221,914 Shares as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares). The aggregate nominal value of the Sale Shares is HK\$464,998,880.

## **Ranking of the Sale Shares**

The Sale Shares rank *pari passu* with the other Shares in issue in the capital of the Company.

## **Rights**

The Sale Shares will be sold free from all liens, charges, and encumbrances and together with all rights attaching to them as at the Trade Date, including the right to receive all dividends or other distributions declared, made or paid on or after the Trade Date.

## **Conditions of the Placing**

The Placing is unconditional.

## **Termination Events**

The Placing Agents may terminate the Placing and Subscription Agreement without liability to the Vendor and/or the Company by giving notice in writing to the Vendor and the Company if at any time prior to Completion on the Closing Date:

- (i) there develops, occurs or comes into force:
  - a. any new law or regulation or any change or development involving a prospective change in existing laws or regulations which in the sole opinion of the Placing Agents makes it impracticable or inadvisable or inexpedient to proceed with the Placing or has or is likely to have a material adverse effect on the financial position, business, results of operation or prospect of the Group as a whole; or
  - b. any significant event, development or change or prospective change (whether or not permanent or forming part of a series of event, developments or changes occurring or continuing before, on and/or after the date hereof) in local, national or international economic, financial, fiscal, industrial, regulatory, political or military conditions, securities market conditions or currency exchange rates or exchange controls, including without limitation, any outbreak or escalation of hostilities, declaration by the United States, the United Kingdom, the People's Republic of China (the "PRC") or Hong Kong of a national emergency or other calamity or crisis, the effect of which in the sole opinion of the Placing Agents is or would be materially adverse to the success of the Placing, or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
  - c. the declaration of a banking moratorium by United States, the United Kingdom, the PRC or Hong Kong authorities, or any moratorium, suspension or material restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the Shanghai Stock Exchange, New York Stock Exchange or the London Stock Exchange; or
  - d. any suspension of dealings in the Shares for any period whatsoever.

- (ii) any breach of any of the representations, warranties and undertakings by the Vendor and/or the Company set out in this Agreement comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date hereof and prior to the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and undertakings untrue or incorrect or there has been a breach of, or failure to perform, any other provision of this Agreement on the part of the Vendor and/or the Company; or
- (iii) any change or any development involving a prospective change in the general affairs, prospects, earnings, business, properties, stockholders' equity or in the financial or trading position of the Group as a whole which in the sole opinion of the Placing agents is so material and adverse as to make it impractical or inadvisable to proceed with the Placing;

then and in any such case, the Placing Agents may terminate this Agreement without liability to the Vendor and the Company by giving notice in writing to the Vendor and the Company. Each of the Vendor and the Company undertakes promptly to inform the Placing Agents of any matter or circumstance which comes to the attention of either of them which may, if coming to the attention of the Placing Agents, fall within this clause.

### **Completion**

The Placing is expected to be completed on the Closing Date or such other time and date as the Vendor and the Placing Agents may agree in writing.

## **(2) THE SUBSCRIPTION**

Pursuant to the Placing and Subscription Agreement, the Vendor has agreed to subscribe as principal for the Subscription Shares at the Subscription Price.

### **The Subscription Price**

The Subscription Price is HK\$1.42 per Share which is equal to the Placing Price.

### **Number of Subscription Shares**

The number of Subscription Shares is equivalent to the number of Sale Shares.

### **Ranking of the Subscription Shares**

The Subscription Shares shall, when fully paid, rank pari passu in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

## **Conditions of the Subscription**

Completion of the Subscription is conditional upon the fulfillment of the following conditions:

- a. the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and
- b. completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

If the conditions of the Subscription are not fulfilled within 14 days after the date of the Placing and Subscription Agreement or such later date as may be agreed between the Company and the Vendor (subject to compliance with all applicable requirements in relation to connected transactions under the Listing Rules), the obligations and liabilities of the Vendor and the Company under the Subscription will become null and void.

## **Completion**

Completion of the Subscription will take place on the second Business Day after the date upon which the last of the subscription conditions (set out above) to be satisfied has been so satisfied, provided that it will take place on a date no later than 14 days after the date of the Placing and Subscription Agreement or such other time and/or date as the Vendor and the Company may agree in writing (subject to compliance with the Listing Rules).

## **General Mandate to Issue the Subscription Shares**

The Subscription Shares will be issued and allotted under the General Mandate granted to the Directors by resolution of the shareholders of the Company passed at the AGM. Under such General Mandate, the Company is authorized to issue up to 932,524,782\* Shares. Save for the Subscription Shares, no Shares have been issued under the General Mandate as of the date of this announcement since it was granted. The Subscription is not subject to approval by the shareholders of the Company.

### **(3) SHAREHOLDING STRUCTURE**

Set out below is the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after completion of the Placing but before the Subscription (on the basis that all Sale Shares are sold); and (iii) immediately after completion of the Placing and the Subscription, on the assumption that (a) there

\* Based on the Company's total issued share capital of 4,662,623,914 Shares as at the date of the AGM.

will be no other change to the share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of the Subscription Shares; and (b) the Placees do not and will not hold any shares other than the Sale Shares:

Name of Shareholders	Shareholding as at the date of this announcement		Number of Shares Held Immediate upon Completion of the Placing		Immediately upon completion of the Subscription pursuant to the Placing and Subscription Agreement	
	Number of Shares	% of Shareholding (approximate)	Number of Shares	% of Shareholding (approximate)	Number of Shares	% of Shareholding (approximate)
Vendor	3,387,940,295	72.66%	3,060,476,295	65.64%	3,387,940,295	67.89%
Public	1,274,817,619	27.34%	1,274,817,619	27.34%	1,274,817,619	25.55%
Placees	0	0.00%	327,464,000	7.02%	327,464,000	6.56%
<b>TOTAL</b>	<b>4,662,757,914</b>	<b>100.00%</b>	<b>4,662,757,914</b>	<b>100.00%</b>	<b>4,990,221,914</b>	<b>100.00%</b>

#### (4) LOCK UP UNDERTAKINGS

Pursuant to the Placing and Subscription Agreement, each of the Vendor and the Beneficial Holder has undertaken to the Placing Agents that (except for the sale of the Sale Shares pursuant to the Placing and Subscription Agreement) for a period of 90 days from the Closing Date, it/he will not and will procure that none of its/his nominees and companies controlled by it/him and trusts associated with it/him (whether individually or together and whether directly or indirectly) will:

- (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Beneficial Holder (including but not limited to equity interest in the Vendor) or the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; or
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares,

whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or

- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above,

unless with the prior written unanimous consent of the Placing Agents.



Pursuant to the Placing and Subscription Agreement, each of the Company and the Vendor has undertaken to the Placing Agents to procure, that for a period of 90 days commencing on the Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (1) the terms of any employee share option schemes of the Company or (2) the terms of any employee share option schemes of the Company already adopted prior to the date hereof or (3) any bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its memorandum of association and articles of association or (4) any agreement to issue shares entered into in connection with any transaction, which agreement has been announced prior to the date of this Agreement:

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above,

unless with the prior written unanimous consent of the Placing Agents.

## **(5) REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS**

The Directors consider that the Placing and the Subscription represent an opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company. Further the Directors are also of the view that the trading volume of the Shares may be enhanced with a broader shareholder base and more floating Shares. Accordingly, the Directors consider that the Placing and the Subscription are in the interests of the Company and the shareholders of the Company as a whole.

Subject to the completion of the Placing and Subscription, the net proceeds to be received by the Company, after deduction of all costs and expenses, will be approximately HK\$460 million. Such proceeds are intended for the following purposes:

- (i) debt repayment; and
- (ii) general working capital.

Based on the estimated net proceeds of HK\$460 million, the net proceeds raised per Subscription Share upon the completion of the Subscription will be approximately HK\$1.40 per Share.

## (6) FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past 12 months immediately before the date of this announcement.

Date of announcements	Fund raising activities	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of the Announcement
22 October 2014	The issuance of 7.00% convertible notes in principal amount of US\$100,000,000 due 2019	US\$98,750,000	Invest in existing and new projects including expansion of the logistics business and/or other general corporate finance purposes	Invest in existing and new projects including expansion of the logistics business and/or other general corporate finance purposes

## (7) APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in the Subscription Shares.

## (8) INFORMATION RELATING TO THE GROUP

The Company is an investment holding company. Its subsidiaries are principally engaged in the development and operation of specialized wholesale markets and multi-functional commercial complexes in the PRC.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“AGM”	the annual general meeting of the Company held on 29 May 2015
“Beneficial Owner”	Mr. Shu Cecheng, with PRC passport number G49029125
“Business Day”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong, Macau, Melbourne and the United States
“Closing Date”	The date falling two Business Days after the date of the Placing and Subscription Agreement (or such other date as the Vendor, the Beneficial Holder, the Company and the Placing Agents may agree in writing)

“Company”	Wuzhou International Holdings Limited (Stock Code: 1369), a company incorporated in the Cayman Islands as an exempted company with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	means completion of the obligations of parties on the Closing Date with respect to Sales Shares pursuant to Clause 4 of the Placing and Subscription Agreement
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning as ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Exchange Rules”	Rules of the Stock Exchange
“General Mandate	the general mandate granted to the Directors by an ordinary resolution of the Shareholders passed at the AGM to allot, issue and deal with Shares and to make or grant offers, agreements and options which may require Shares to be issued, allotted or dealt with, which is subject to the limit of 20% of the total number of Shares in issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party”	parties which are not connected persons of our Company within the meaning of the Listing Rules
“Last Trading Day”	1 June 2015, being the last trading date for the Shares before the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional institutional and other investors whom the Placing agents have procured to purchase any of the Sale Shares pursuant to their obligations under the Placing and Subscription Agreement
“Placing”	the placing to the Placees procured by the Placing Agents of the Sales Shares on the terms and subject to the conditions set out in the Placing and Subscription Agreement

“Placing Agents”	Nomura International (Hong Kong) Limited and Haitong International Securities Company Limited
“Placing and Subscription Agreement”	the placing and subscription agreement dated 1 June 2015 entered into between the Company, the Vendor, the Beneficial Holder and the Placing Agents in connection to the Placing and the Subscription
“Placing Completion Date”	4 June 2015 or such other date as the Vendor, the Beneficial Holder, the Company and the Placing Agents shall agree
“Placing Period”	the period commencing upon the execution of the Placing and Subscription Agreement and terminating at 5:00 p.m. on the Business Day prior to the Placing Completion Date, unless terminated earlier pursuant to the Placing and Subscription Agreement
“Placing Price”	the price of HK\$1.42 per Share, as determined in accordance with the terms of the Placing and Subscription Agreement
“Sales Shares”	the 327,464,000 Shares to be sold by the Vendor pursuant to the Placing and Subscription Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Vendor of the Subscription Shares on the terms and subject to the conditions set out in the Placing and Subscription Agreement
“Subscription Completion Date”	the Business Day after the date upon which the last of the conditions under the Placing and Subscription Agreement shall have been satisfied provided that the Subscription Completion Date shall not be later than the date falling 14 days after the date of the Placing and Subscription Agreement
“Subscription Price”	the price of HK\$1.42 per Share, which is equal to the Placing Price
“Subscription Shares”	new Shares to be issued by the Company under the Subscription
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

“Trade Date”	the date when the sale of the Sale Shares shall be reported as a cross-trade to the Stock Exchange which shall be 2 June 2015, or such other date as the Vendor and the Placing Agents may agree in writing
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	the United States dollar, the lawful currency of the United States
“Vendor”	Boom Win Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is owned as to 60% by Mr. Shu Cecheng and 40% by Mr. Shu Cewan, both of which are executive Directors of the Company
“%”	percentage

By order of the Board of  
**Wuzhou International Holdings Limited**  
**Shu Cecheng**  
*Chairman*

Hong Kong, 1 June 2015

*As of the date of this announcement, the executive directors of the Company are Mr. Shu Cecheng, Mr. Shu Cewan, Mr. Shu Ceyuan, Ms. Wu Xiaowu and Mr. Zhao Lidong; the non-executive Director is Mr. Wang Wei; and the independent non-executive Directors are Dr. Song Ming, Mr. Lo Kwong Shun Wilson and Prof. Shu Guoying.*