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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 LITIGATIONS

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 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 various major litigations the Group are involved for the time being.

I. Background

Three claims were made by Guo Tai Yuan Xin Asset Management Ltd.* (國泰元鑫資產管理有限公司) (the “**Plaintiff**”) against, inter alia, the Company, several subsidiaries of the Company, Shu Cecheng, and Zhu Lijuan (collectively, the “**Defendants**” and each a “**Defendant**”) in or about July 2018 for, inter alia: (i) the outstanding share transfer consideration in the sum of RMB20,000,000 together with the interest accrued thereon and liquidated damages; (ii) the outstanding principal of the loan in the sum of RMB36,500,000 together with the interest accrued thereon and liquidated damages; and (iii) the outstanding principal of the loan in the sum of RMB88,450,000 together with the interest accrued thereon and liquidated damages.

The Company received the ruling of the Shanghai Higher People's Court on or around 21 October 2019:

For the first litigation:

- (1) Wuxi Wuzhou International Ornament City Co. Ltd.* (無錫五洲國際裝飾城有限公司) (“**Wuxi Wuzhou**”), the first Defendant of the case, shall pay the Plaintiff the outstanding share transfer consideration in the sum of RMB20,000,000.00 together with the interest accrued thereon and liquidated damages (to be calculated at the daily rate of 0.05% of the principal, subject to minor adjustment) from 21 July 2018 until the date of repayment; and
- (2) the Plaintiff shall have priority over the proceeds from the properties mortgaged to the Plaintiff.

For the second litigation:

- (1) Wuxi Wuzhou, the first Defendant of the case, shall pay the Plaintiff the outstanding principal of the loan in the sum of RMB36,500,000.00 together with the interest accrued thereon and liquidated damages (to be calculated at the daily rate of 0.05% of the principal, subject to minor adjustment) from 13 July 2018 until the date of repayment; and
- (2) the Plaintiff shall have priority over the proceeds from the properties mortgaged to the Plaintiff.

For the third litigation:

- (1) Wuxi Wuzhou, the first Defendant of the case, shall pay the Plaintiff the outstanding principal of the loan in the sum of RMB88,450,000.00 together with the interest accrued thereon and liquidated damages (to be calculated at the daily rate of 0.05% of the principal, subject to minor adjustment) from 13 July 2018 until the date of repayment; and
- (2) the Plaintiff shall have priority over the proceeds from the properties mortgaged to the Plaintiff.

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, 29 October 2019

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 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.*