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縱橫財經公關顧問(中國)有限公司

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[For Immediate Release]



Wuzhou International Announces Proposed Listing on HKEX Main Board

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**International Placing and Hong Kong Public Offering of
1,140,740,000 Shares at between HK\$1.15 and HK\$1.50 per Share
To Raise up to approximately HK\$1,710 Million**

Investment Highlights

- Wuzhou International is one of the leading commercial property developers and operators in China, and was honored to rank as a Top - 10 Branded Developer of China Commercial Real Estate Projects of 2011 and as the Best Commercial Property Operator in China of 2011
- The Group was a top-three developer and operator of both specialised wholesale markets in China in terms of the total number of projects completed, under development and held for further development, and multi-functional commercial complexes in the Yangtze River Delta Area in terms of the total number of projects completed, under development and held for further development as at December 31, 2012
- In November 2010, the Group's property project brands "Wuzhou International" and "Columbus" were awarded the "2010 Well-known Commercial Real Estate Brands in China"
- As at February 28, 2013, the Group had a total of 11 specialised wholesale markets and 14 multi-functional commercial complexes, with total planned GFA of approximately 7.3 million sq.m. in six rapidly developing provinces across China, including provinces of Jiangsu, Zhejiang, Shandong, Yunnan, Hubei and Chongqing Municipality, of which 12 projects are located in the Yangtze River Delta Area
- Its business has grown strongly as from 2010 to 2012, revenue, gross profit and net profit increased at a CAGR of 60.4%, 75.5% and 56.7% to RMB 2.25 billion, RMB 1.20 billion and RMB 699 million respectively
- The management team has extensive experience and strong network. Mr Shu Cecheng and Mr Shu Cewan, Chairman and Chief Executive Officer of the Group have co-founded Wuzhou International for more than eight years, and have obtained several awards for their contribution to the industry

(Hong Kong, 30 May 2013) – Wuzhou International Holdings Company Limited (“Wuzhou International” or the “Group,” stock code: 01369), a leading developer and operator of specialised wholesale markets in China and of multi-functional commercial complexes in both the Yangtze River Delta and Jiangsu Province, has today announced its proposed listing on the Main Board of The Hong Kong Stock Exchange Limited.

The share price is to be set at a range of from HK\$1.15 to HK\$1.50 per share. A total of 1,140,740,000 shares are to be issued in the Share Offer in total, of which 1,026,664,000 shares will be for the International Placing and the remaining 114,076,000 shares for the Hong Kong Public Offer. Assuming the over-allotment option is not exercised and the offer price is set at the upper end of the pricing range, the Group will raise up to HK\$1,710 million.

The Hong Kong Public Offer will begin on 31 May 2013 (Friday) and end at 12:00 noon on 5 June 2013 (Wednesday). The final offer price will be determined on 5 June 2013 (Wednesday), and allotment results will be announced on 11 June 2013 (Tuesday). Shares of Wuzhou International will begin trading on 13 June 2013 (Thursday) in board lots of 2,000 shares under the stock code of 01369.

Approximately 60% of proceeds will be used to finance the land acquisition, construction and development of the Group’s projects with memorandums of understanding (MOUs) already signed. Approximately 30% will be used for the construction and development of other projects while approximately 10% will be used for working capital and other general corporate purposes.

BOCOM International (Asia) Limited and Macquarie Capital Securities Limited are joint sponsors. BOCOM International Securities Limited and Macquarie Capital Securities Limited are joint global coordinators. BOCOM International Securities Limited, First Shanghai Securities Limited, GF Securities (Hong Kong) Brokerage Limited and Macquarie Capital Securities Limited are joint bookrunners and joint lead managers. (The above are in alphabetical order)

Mr Shu Cecheng, Executive Director and Chairman, said, “Wuzhou International has been eyeing the commercial property market since our start in Wuxi City, Jiangsu Province in late 2004. Over the years, we have grown into a leading commercial property developer and operator in China focusing on specialised wholesale markets and multi-functional commercial complexes. Our projects span the Yangtze River Delta, and are also located in key provinces and cities such as Chongqing, Yunnan, Shandong, etc. Currently, we enjoy the solid support from more than 19,000 customers and tenants. The Group has built a strong brand. In November 2012, our project brands ‘Wuzhou International’ and ‘Columbus’ were honoured as ‘2010 Well-known Commercial Real Estate Brands in China’ serving as role models for China’s commercial properties to create new value.”

China has experienced a robust economic growth driven by the government’s extensive economic reforms. In the past seven years, China’s GDP increased from RMB18.5 trillion in 2005 to RMB51.9 trillion in 2012, a compound annual growth rate (CAGR) of approximately 15.9%, according to China Statistical Year Book 2012 and the Statistical Communique of China 2012. During the same period, total investment in property increased from RMB 8.9 trillion to RMB 37.5 trillion at a CAGR of approximately 22.8%, expanding much faster than the GDP.

Wuzhou International is rapidly expanding by capturing the outstanding opportunities for development in China. As at 28 February 2013, the Group had a total of 11 specialised wholesale markets and 14 multi-functional commercial complexes in six rapidly developing provinces across China, including provinces of Jiangsu, Zhejiang, Shandong, Yunnan, Hubei and Chongqing Municipality, of which 12 projects are located in the Yangtze River Delta Area. These projects, at different stages of completed, under development and planned for future development, have a total planned GFA of approximately 7.3 million sq. m.

The Group has also recorded a strong financial performance. Between 2010 and 2012, the Group's revenue, gross profit and net profit increased at a CAGR of 60.4%, 75.5% and 61.3% to RMB 2.25 billion, RMB 1.20 billion and RMB 699 million respectively.

“Wuzhou International” Specialised Wholesale Markets

Wuzhou International was ranked among the top three developers and operators of specialised wholesale markets in China as at 31 December 2012 ^{Note 1}. The Group commenced the construction of its first specialised wholesale market project, Wuxi Wuzhou Ornamental City, in Wuxi City of Jiangsu Province in 2005. The project provides a comprehensive trading platform for vendors of construction materials, furniture, household goods, interior decoration materials and small commodities. It also offers a vast yet convenient and comfortable shopping environment, good management, logistics and other auxiliary services. This project was honoured as “China's Largest Market for Interior Ornament Materials” and “The Most Commercially Valuable Specialised Wholesale Market in China” in 2006. The project comprises five phases with a total GFA of 413,400 sq. m. The first three phases have been completed. The project has been well welcomed by the market and as at 28 February 2013, the overall occupancy rate of Wuxi Wuzhou International Ornamental City was 94%.

Wuxi Wuzhou International Industrial Exhibition City, the Group's second specialised wholesale market, presents a broad range of quality industrial products including fast consuming spare parts and ancillary materials sourced domestically and overseas. This project was awarded the “2008 Commercial Property Project with the Best Investment Value in China”. The whole project comprises two phases with a total GFA of 679,700 sq. m, which is the largest comprehensive trading platform for vendors of industrial products in the southern part of Jiangsu Province. The first phase has been completed. As at 28 February 2013, the overall occupancy of Wuxi Wuzhou International Industrial Exhibition City was 95%.

Apart from Wuxi City of Jiangsu Province, the Group has also developed and operated specialised wholesale market projects in other industrial cities or regional hubs such as Jianhu in Suzhou, Dali in Yunnan, Chongqing municipality, Yantai in Shandong and Xiangyang in Hubei. The total GFA of all the Group's projects amounted to 4.73 million sq. m. of which, the total GFA of completed projects and projects under development was 1.8 million sq. m. The planned GFA of future development projects is 2.93 million sq. m.

^{Note 1} Based on total GFA completed, under development and held for future development as of December 31, 2012, according to Savills

“Wuzhou International” and “Columbus” Multi-functional Commercial Complexes

The Group’s multi-functional commercial complexes, named under “Wuzhou International” and “Columbus”, provide one-stop retail shopping with department stores, supermarkets, restaurants, movie theaters, offices and other ancillary facilities. As at 31 December 2012, the Group was a top-three developer and operator of multi-functional commercial complexes in the Yangtze River Delta Area^{Note 2}.

As at 28 February 2013, the Group had a total of 14 multi-functional commercial complexes, in the Yangtze River Delta Area and other rapidly developing cities such as Wuxi, Nantong, Yancheng and Huaian in Jiangsu Province, Hangzhou in Zhejiang Province and Baoshan in Yunnan Province. The total GFA of all projects amounted to 2.60 million sq. m. of which, the total GFA of completed projects and projects under development was 1.43 million sq. m. The planned GFA of future development projects is 1.17 million sq. m.

The Group attributes its success to the unified brands, planning, management, marketing and services in its project operation. As at 28 February 2013, 98.7% of the purchasers of the Group’s retail shops have entered into exclusive operation and management agreements with the Group and 90.8% of these were in terms of 10 to 20 years. Under these agreements, the Group typically receives commercial service income equivalent to the entire rental value of the property for the initial periods ranging from three to five years and then 8% to 10% of the rental value for the remaining years. Meanwhile, the Group has achieved broad recognition of famous brands domestically and globally, and maintained long-term strategic relationships with them, which benefits the Group with long-term and recurring rental income.

Bright Industry Prospects

The specialized wholesale markets of Wuzhou International aim to serve a vast number of small and medium-sized enterprises. According to the Ministry of Industry and Information Technology, the number of small and medium-sized enterprises (including microenterprises) in China is expected to grow steadily for the next five years at an annual rate of approximately 8.0%, which should benefit the business development and long-term popularity of the Group’s specialized wholesale projects.

Meanwhile, the Group’s business of developing multi-functional commercial complexes is expected to continue to benefit from the accelerating urbanisation in China which reached 51% in end of 2011. Urbanisation is expected to increase to 57% in 2020, and to approximately 70% by the end of 2030^{Note 3}. Driven by the rapid economic growth in China and the notable growth in demand in the Yangtze River Delta Area, the disposable income of citizens in the city and village is increasing, which in turn can translate into strong demand for the Group’s multi-functional commercial complexes.

Note 2 Based on total number of completed projects, projects under construction and projects held for future development, according to Savills

Note 3 As projected by the China Centre for International Economic Exchanges (“CCIEE”)

Mr Shu Cecheng, Executive Director and Chairman of the Group, concluded, “The continuous economic growth and the booming commercial property industry in China have created immense opportunities for the Group. Our unique business model has reaped initial success, and we intend to replicate this model elsewhere in China with development potential and further expand the Group’s scale of operation. We believe the listing of Wuzhou International in Hong Kong provides an ideal international financing platform for our future development and enhances our exposure and branding. This enables us to capture the huge development opportunities in China, and optimise project planning, brand building and management services as well as consolidate our leadership position in China’s commercial property market.”

~End~

Wuzhou International Holding Limited

Starting in Wuxi, Jiangsu Province in 2004, Wuzhou International is a developer and operator of specialized wholesale markets and multifunctional commercial complexes with 25 projects covering six provinces and cities across China. The Group’s brands “Wuzhou International” and “Columbus” were awarded the “2010 Well-known Commercial Real Estate Brands in China”. As at the end of 2012, Wuzhou International is a top-three developer and operator of specialized wholesale markets in China and also multifunctional commercial complexes in dynamic Yangtze River Delta Area, according to Savills.

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Listing Details

Number of Offer Shares	1,140,740,000 shares
- <i>International Offer</i>	- 1,026,664,000 shares (90%)
- <i>Hong Kong Public Offer</i>	- 114,076,000 shares (10%)
Offer Price	HK\$1.15 - HK\$1.50

Use of Proceeds

Assuming the over-allotment option is not exercised and the offer price is HK\$1.33 per share (i.e. mid-point of the offer price range of HK\$1.15 to HK\$1.50), net proceeds from the global offering are expected to be approximately HK\$1,450 million after deducting the underwriting fees and expenses payable by the Company in the global offering. The Company intends to use the net proceeds for the following purposes:

➤ To finance the land acquisition, construction and development of the projects with MOUs signed	60%
➤ To finance the construction and development of other projects	30%
➤ Working capital and other general corporate purposes	10%

Highlights of Economy Indicators in China

	CAGR (2005 – 2012)
GDP	15.9%
Real Estate Investment	24.0%
Urban Disposable Income per Capita	12.9%

	Urbanisation rate in China
2011	51%
2020 (Forecast) ^{Note4}	57%
2030 (Forecast) ^{Note5}	70%

Financial Highlights of Wuzhou International

RMB ('000)	For the year ended 31 December			2010 – 2012 CAGR
	2010	2011	2012	
Revenue	875,794	1,515,769	2,253,240	60.4%
Gross Profit	390,025	739,482	1,200,866	75.5%
<i>Gross Profit Margin</i>	<i>44.5%</i>	<i>48.8%</i>	<i>53.3%</i>	-
Net Profit	284,837	313,412	699,711	56.7%
<i>Net Profit Margin</i>	<i>32.5%</i>	<i>20.7%</i>	<i>31.1%</i>	-

^{Note4, 5} Forecast of China Centre for International Economic Exchanges ("CCIEE")

Wuzhou International's Management Team

Mr. SHU Cecheng, Executive Director and Chairman

- Founder of Wuzhou International. He has been primarily responsible for the overall business, financial and strategic planning of our Group. He is also responsible for overall development of the Group's strategic direction and corporate policies and plays an active role in the development, maintenance and strengthening of client relations
- Possesses over 8 years of experience in the real estate development industry
- Appointed as the Chairman of the Council of China SCMAALL Academy, Executive Vice President of Wuxi Wenzhou Chamber of Commerce and Chairman of the Sixth Council of Wuxi Market Association, etc.
- Awarded the China Zhejiang Merchants Commercial Property Special Contribution Award and recognized as one of the Chinese Market Leading Persons
- Obtained a master of business administration at the Victoria University Switzerland

Mr. SHU Cewan, Executive Director and Chief Executive Officer

- Primarily responsible for the Group's daily operations, planning and implementation of the projects
- Possesses over 8 years of experience in the real estate development industry
- Recognized as the 2010 Chinese Commercial Real Estate Driving Force Figure, the Most Respected Private Enterprise Entrepreneur and awarded the Chinese Influential Person, etc.
- Appointed as the Vice Chairman of Wuxi Wenzhou Chamber of Commerce since 2011

Mr. SHU Ceyuan, Executive Director

- Possesses over 8 years of experience in the real estate development industry
- Familiar with the area of property construction and plays a vital role in the planning and controlling processes of the Group's construction work.
- Was once the Vice President of Wuzhou International Group Investment, and has also been the Vice President of Hong Kong Wuzhou since 2011

Ms WU Xiaowu, Executive Director

- Primarily responsible for overseeing the Group's financial matters, such as management reporting, group budgeting and forecasting as well as internal control and risk management
- Possesses over 24 years of experience in financial management
- Has been the Director and Chief Financial Officer of Wuxi Huadong Cocoa Food Co., Ltd., the Chief Financial Officer of Wuxi Taian Automation Co., Ltd, and also the Head of the Financial Department of Wuxi Zhongya Wool Spinning and Printing Co., Ltd. responsible for the management of the company's financial matters

Mr. Zhao Lidong, Executive Director

- Responsible for overseeing the planning and design center, project management center, cost-control center and the Group's commercial management subsidiaries
- Over 13 years of experience in the property development industry
- Held various management positions in Dalian Wanda Group Co., Ltd., and also worked in Dalian Commercial Construction Supervision Company, etc.

Mr. Chan Sze Hon, Chief financial officer

- Responsible for supervising the financial reporting, corporate finance, treasury, tax and other finance related matters of the Group
- Over 17 years of experience in accounting and financial management
- Held positions of financial management and Executive Director in various Hong Kong listed companies, including the position as Executive Director and Chief Executive Officer in a China real estate company listed in Hong Kong

Projects of the Group

Unit: '000 sq.m.

Project Name	Total GFA of Completed Projects	Total GFA of Projects under Development	Total GFA of Projects Planned for Future Development	Total GFA for Entire Project	Construction Completion Date
Specialised Wholesale Markets					
Jiangsu Province					
- Wuxi Wuzhou International Ornamental City	287.7	104.3	21.4	413.4	2014
- Wuxi Wuzhou International Industrial Exhibition City	358.4	81.8	239.4	679.7	2017
- Jianhu Wuzhou International Trade City	-	111.1	114.1	225.3	2015
- Jianhu China Green Lighting Expo City	-	-	94.2	94.2	2014
- Wuzhou International Automobile Exhibition City	-	-	430.3	430.3	2015
Subtotal	646.1	297.2	899.4	1,842.9	
Yunnan Province					
- Dali Wuzhou International Trade City	119.5	121.7	941.7	1182.9	2019
Chongqing City					
- Rongchang Wuzhou Hardware Ornamental City	85.4	193.4	197.0	475.8	2015
Shandong Province					
- China Longkou Wuzhou International Trade City	-	22.3	128.2	150.5	2014
- Yantai Wuzhou International Industrial Exhibition City	-	55.7	-	55.8	2013
- Leling Wuzhou International Ornamental City	-	38.2	413.7	451.9	2015
Subtotal	-	116.2	541.9	658.2	
Hubei Province					
- Xiangyang Wuzhou International Industrial Exhibition City	-	217.1	350.1	567.2	2015
Total	851.0	945.6	2,930.1	4,726.7	

Project Name	Total GFA of Completed Projects	Total GFA of Projects under Development	Total GFA of Projects Planned for Future Development	Total GFA for Entire Project	Construction Completion Date
Multi-functional Commercial Complexes					
Jiangsu Province					
- Wuxi Wuzhou International Columbus Plaza	211.8	-	-	211.8	2013
- Wuxi Wuzhou International Chinese Food Culture Exposition City	49.5	141.8	-	191.3	2013
- Meicun Wuzhou International Plaza	54.3	-	-	54.3	2012
- Yangjian Wuzhou International Plaza	9.7	132.5	-	142.2	2013
- Nantong Wuzhou International Plaza	-	365.1	-	365.1	2014
- Yancheng Wuzhou International Plaza	-	96.4	-	96.4	2013
- Huaian Wuzhou International Plaza	-	147.0	91.3	238.3	2015
- Wuxi New District Columbus Plaza	-	91.9	-	91.9	2013
- Luoshe Wuzhou Columbus Plaza	-	51.2	-	51.2	2014
- Sheyang Wuzhou International Plaza	-	-	479.7	479.7	2016
- Jiangyin Wuzhou International Plaza	-	-	262.8	262.8	2015
- Qianzhou Wuzhou International Plaza	-	-	127.7	127.7	2014
Subtotal	325.3	1,025.9	961.5	2,312.7	
Yunnan Province					
- Baoshan Wuzhou International Plaza	-	-	209.3	209.3	2016
Zhejiang Province					
- Hangzhou Wuzhou International Plaza	-	76.6	-	76.6	2013
Total	325.3	1,102.5	1,170.8	2,598.6	
Total of All Projects	1,176.3	2,048.1	4,100.9	7,325.3	