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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kiu Hung International Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



Kiu Hung International Holdings Limited

僑雄國際控股有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)

(Stock Code: 00381)

**PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
FOR DEBT CAPITALISATION
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the SGM of the Company to be held at Harbour Plaza Room I, B1/F, Harbour Plaza North Point, 665 King’s Road, North Point, Hong Kong on Wednesday, 12 May 2021 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company on 22 April 2021 as soon as possible and in any event not later than Monday, 10 May 2021 at 10:30 a.m. (Hong Kong time).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed revoked.

22 April 2021

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business
“Company”	Kiu Hung International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Subscription in accordance with the terms and condition set out in the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement)
“connected persons”	has the meanings as ascribed thereto under the Listing Rules
“Consultant Creditors”	consultants of the Group who are Creditors
“Creditor(s)”	has the meaning ascribed thereto under the section headed “THE SUBSCRIPTION AGREEMENT AND THE SUPPLEMENTAL SUBSCRIPTION AGREEMENT” under the Letter from the Board in this circular and the term “Creditors” shall construe accordingly
“Directors”	the directors of the Company
“Employee Creditor”	employee of the Group who is Creditor
“Former Director Creditors”	former directors of the Group who are Creditors
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Indebted Amount”	the amount owing by the Company to the Creditors in an aggregate amount of HK\$104,247,634.84 as at the date of the Supplemental Subscription Agreement
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owners (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons

DEFINITIONS

“Last Trading Day I”	2 November 2020, being the last trading day for the Shares prior to the date of the Subscription Agreement
“Last Trading Day II”	21 January 2021, being the last trading day for the Shares prior to the date of the Supplemental Subscription Agreement
“Latest Practicable Date”	19 April 2021, being the latest practicable date prior to be printing of this circular for the purpose of ascertaining certain information contained in this circular
“Lender Creditors”	lenders of the Group who are Creditors
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5:00 p.m. on the date falling on the 21st day after the date of SGM or such other date as the Creditors and the Company may agree in writing
“SGM”	the special general meeting of the Company to be held and convened to consider and, if thought fit, to approve the Specific Mandate for the purpose of the Subscription
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the issued Shares
“Specific Mandate”	the specific mandate to be granted to the Directors to allot and issue the Subscription Shares at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Creditors on and subject to the terms and condition set out in the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement)
“Subscription Agreement”	the conditional subscription agreement dated 3 November 2020 entered into between the Company and the Creditors
“Subscription Price”	HK\$0.267 per Subscription Share
“Subscription Share(s)”	390,440,579 new Shares to be subscribed by the Creditors pursuant to the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement)

DEFINITIONS

“Supplemental Subscription Agreement”	the conditional supplemental subscription agreement dated 22 January 2021 entered into between the Company with each of Mr. Wong Pui Wang Jefferson, Mr. Chen Blinglin and Ms. Ou Zhu, all being Creditors in the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



Kiu Hung International Holdings Limited

僑雄國際控股有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)

(Stock Code: 00381)

Executive Directors:

Mr. Zhang Qijun (*Chairman*)

Mr. Chen Jian

Mr. Liu Mingqing

Registered office:

Continental Buildings, 3rd Floor,

25 Church Street,

Hamilton HM12,

Bermuda

Independent non-executive Directors:

Mr. Wang Xiao Ning

Mr. Cheng Ho On

Mr. Kong Chun Wing

Mr. Lai Chi Yin, Samuel

Ms. Chen Yuxin

Head office and principal place

of business in Hong Kong:

Flat E, 20th Floor,

Lucky Plaza,

315-321 Lockhart Road,

Wan Chai

Hong Kong

22 April 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR
DEBT CAPITALISATION
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 3 November 2020, 20 November 2020, 22 January 2021 and 28 January 2021 relating to the debt capitalisation.

The purpose of this circular is to provide you with, among other things, details regarding (i) the Subscription Agreement, the Supplemental Subscription Agreement and the Specific Mandate; (ii) a notice convening the SGM; and (iii) other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE SUBSCRIPTION AGREEMENT AND THE SUPPLEMENTAL SUBSCRIPTION AGREEMENT

Date of the Subscription Agreement:

3 November 2020 (after trading hours)

Date of the Supplemental Subscription Agreement:

22 January 2021 (after trading hours)

Parties

Issuer/debtor: The Company

Creditors: the following Creditors as creditors:

1. 3 Former Directors Creditors who had ceased their respective directorship with the Company for more than 12 months prior to the date of the Subscription Agreement, and who, otherwise than their previous employment relationship with the Group, are Independent Third Parties;
2. an Employee Creditor, who, otherwise than his employment relationship with the Group, is Independent Third Party;
3. 3 Consultant Creditors, who, otherwise than their service provider relationship with the Group, are Independent Third Parties; and
4. 5 Lender Creditors, who, otherwise than their lender-and-borrower relationship with the Group, are Independent Third Parties

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Creditors and its ultimate beneficial owners are Independent Third Parties.

Subscription Shares

Pursuant to the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement), the Company has conditionally agreed to allot and issue to the Creditors (or their designated nominee), and the Creditors have conditionally agreed to subscribe for an aggregate of 390,440,579 Subscription Shares at the Subscription Price of HK\$0.267 per Subscription Share. The Subscription amount payable by the Creditors under the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) shall be satisfied by capitalizing the Indebted Amount due from the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has 761,419,079 Shares in issue. Assuming that there will be no change in the number of issued Shares between the Latest Practicable Date and Completion, the 390,440,579 Subscription Shares represent approximately 51.28% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 33.90% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the 390,440,579 Subscription Shares is HK\$3,904,405.79.

Subscription Price

The Subscription Price of HK\$0.267 represents:

- (i) a premium of approximately 6.80% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a discount of approximately 0.37% to the average closing price per Share of approximately HK\$0.268 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day I;
- (iii) a premium of approximately 22.48% to the closing price of HK\$0.218 per Share as quoted on the Stock Exchange on the date of the Supplemental Subscription Agreement;
- (iv) a premium of approximately 42.78% to the average closing price per Share of approximately HK\$0.187 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day II; and
- (v) a premium of 164.36% to the closing price of HK\$0.101 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Creditors. The Directors consider that the Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares shall rank *pari passu* in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Subscription Shares.

Specific Mandate

All the Subscription Shares will be allotted and issued under the Specific Mandate to be sought at the SGM.

LETTER FROM THE BOARD

Subscription Condition

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

- (i) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in the Subscription Shares;
- (ii) the passing of the ordinary resolutions by the Shareholders at the SGM to approve the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) and the transactions contemplated thereunder (including the Specific Mandate); and
- (iii) if so required, each party to the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) having obtained all consents, licences, authorisations, orders, grants, confirmations, permissions, registrations, filings and other approvals necessary or desirable in connection with the implementation of the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) from appropriate governments, governmental, supranational or trade agencies, courts, other regulatory bodies, banks, financial institutions or other third parties on terms satisfactory to the parties to the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) and such consents, licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect.

In the event the above condition is not fulfilled by the Long Stop Date, all rights, obligations and liabilities of the parties to the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) prior to such termination.

Completion

The Subscription shall complete on the day no later than the fourth Business Day immediately following the day on which the condition set out above is satisfied (or such later date as may be agreed between the parties to the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) in writing).

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Subscription Shares.

LETTER FROM THE BOARD

FUND RAISING DURING THE PAST TWELVE MONTHS

During the past twelve months immediately preceding the Latest Practicable Date, the Company has conducted the following equity fund raising activity.

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
22 October 2020	Placing of new Shares under specific mandate	HK\$29.57 million	All net proceeds for the repayment of the Group's outstanding indebtedness	Used as intended
22 September 2020	Placing of new Shares under general mandate	HK\$20 million	Approximately HK\$16 million repayment of the outstanding promissory notes and other payables, and approximately HK\$4 million for general working capital of the Group	Used as intended

DETAILS OF THE CONSULTANCY SERVICES AGREEMENTS WITH THE CONSULTANT CREDITORS

Principal terms of the consultancy service agreement with each of the Consultant Creditors are as follows:

Consultant Creditors	Agreement date	Scope of services	Period
1 Chan Tsz Sing, William	19 September 2019	<ul style="list-style-type: none"> — planning publicity strategies and campaigns — dealing with enquiries from the public, the press, and related organisations — organising and attending promotional events such as press conferences, open days, exhibitions, tours and visits — analysing media coverage 	1 year
2 Liu Yuk Ming	16 August 2019	<ul style="list-style-type: none"> — attending sales meetings, conferences and events — devising new sales or marketing strategies 	1 year
3 Wong Pui Wang	30 March 2019	<ul style="list-style-type: none"> — providing investing and financing research and support to the management — assisting the Company to develop investing and financing project 	1 year

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in (i) manufacturing and trading of toys and gifts; (ii) exploration of natural resources; and (iii) investment in various potential businesses including fruit plantation, Chinese yellow rice wine, leisure and culture.

The Company has communicated with its creditors from time to time for the settlement arrangements and proposed debt capitalisation to all major creditors. As some of the creditors are not willing to accept the debt capitalisation settlement, therefore, the Company decided to prioritize the settlement of the outstanding debts of the Creditors. Regarding the outstanding debts payable to the Lender Creditors which are considered significant to the Company's operation and have been past due before the Subscription Agreement, the Company has, upon expiry of those debts, negotiated and received waiver from the Lender Creditors stating that they will not demand the Company's immediately repayment.

Regarding the outstanding debts in the amount of HK\$1,170,000 under the winding up petition as disclosed in the Company's announcement dated 2 March 2021, the Company considers that the outstanding amount is not significant to the Company's operation and has not negotiated with the creditor for any waiver arrangement regarding the above-mentioned outstanding debts. As at the Latest Practicable Date, the above-mentioned petition has been fully resolved.

The Directors (including the independent non-executive Directors) consider that the Subscription will allow the Company to settle the Indebted Amount without utilizing existing financial resources of the Company in order to alleviate the repayment pressure of the Group and to reduce cash outflow from the Company.

The Directors has considered other alternative means for raising fund to settle the Indebted Amount, such as bank borrowings, share placement, rights issue or open offer. However, having taken into account that (i) debt financing and bank borrowing will inevitably increase the interest expenses and gearing ratio of the Group; (ii) debt financing usually requires pledge of assets by the borrower; (iii) the Subscription will reduce the gearing ratio and interest expenses of the Group; and (iv) other equity financings such as placing of Shares, rights issue and open offer usually require attractive discount to the current market price of the Shares and are relatively more time consuming and less cost effective as compared to the Subscription, the Directors consider that the Subscription is a more desirable solution for the Group to settle the Indebted Amount.

The Directors also consider that the Subscription will broaden the Company's capital base and shareholders base without any interest burden thereby strengthening the financial position for the future development of the Group.

LETTER FROM THE BOARD

The identities of the Creditors, the details of the underlying debts and the number of Subscription Shares to be issued to each of the Creditors are summarized below:

Creditors	Principal amount HK\$	Interest rate per annum	Outstanding amount HK\$	Repayment Date	Original uses	Amount of underlying debt being capitalized HK\$	No of Subscription Shares to be issued
Former Directors Creditors (note 1)							
Yu Won Kong, Dennis	12,618,955.5	8%	14,868,635.05	31 March 2019	Accrued salary	12,618,955.50	47,262,006
Hui Kee Fung	13,453,500	8%	15,328,500	30 September 2020	Accrued salary	13,453,500	50,387,640
Lau Siu Wa (note 2)	530,833	8%	582,607.4	26 February 2020	Accrued salary	582,607.4	2,182,050
Employee Creditor							
Lau Siu Wa (note 2)	2,189,012.58	8%	2,402,516.27	N/A (note 3)	Accrued salary	2,402,516.27	8,998,188
Consultant Creditors							
Chan Tsz Sing William (note 4)	2,000,000	Nil	2,000,000	19 September 2020	Accrued consultancy fee	2,000,000	7,490,637
Liu Yuk Ming (note 5)	200,000	Nil	200,000	16 August 2020	Accrued consultancy fee	200,000	749,064
Wong Pui Wang Jefferson (note 6)	1,000,000	Nil	1,000,000	30 March 2020	Accrued consultancy fee	1,000,000	3,745,318
Lender Creditors							
Ou Zhu	55,700,939.64	28%	55,700,939.64	repayable on demand	For the use of general working capital of the Group	30,000,000	112,359,550
Chen Blinglin	12,317,610.11	12%	14,002,959.34	31 December 2018	For the use of general working capital of the Group	14,002,959.34	52,445,540
Lau Siu Wa	3,675,000	36%	4,580,084.33	26 February 2020	For the use of general working capital of the Group	4,580,084.33	17,153,874
Liu Falin	8,688,175.93	28%	12,566,400	31 December 2019	For the use of general working capital of the Group	12,566,400	47,065,169

LETTER FROM THE BOARD

Creditors	Principal amount <i>HK\$</i>	Interest rate per annum	Outstanding amount <i>HK\$</i>	Repayment Date	Original uses	Amount of underlying debt being capitalized <i>HK\$</i>	No of Subscription Shares to be issued
Tang Yingzhou	10,840,612	Nil	10,840,612	28 August 2019	For the use of general working capital of the Group	10,840,612	40,601,543

Note:

1. The outstanding amounts were in respect of directors remuneration which have been disclosed in previous annual reports of the Company. The Company and Former Directors Creditors reached a consensus to postpone the repayment date and the Company has agreed to compensate the Former Directors Creditors with interest payment using the judgement interest rate.
2. Lau Siu Wa had been appointed as Directors with effect from 5 December 2016. Lau Siu Wa has ceased his directorship with the Company on 30 June 2017 and is employed by the Company as corporate capital director. Lau Siu Wa's roles and duties included (i) working with the financial team on capital planning; (ii) developing and organizing and maintaining the relationship with investors; and (iii) coordinating with bankers, brokers and other professional third parties. The Company compensates Lau Siu Wa with interest payment according to the judgement of the Labour Department.
3. The Company and Lau Siu Wa have mutually agreed that the Company will issue new Shares to settle the outstanding salaries of Lau Siu Wa. As the issue and allotment of the new Shares are subject to regulatory approval, there is no fixed repayment date.
4. The scope of consultancy services provided by Chan Tsz Sing William included (i) planning publicity strategies and campaigns, (ii) dealing with enquiries from the public, the press and related organization, (iii) organizing and attending promotional events such as press conferences, open days, exhibitions, tours and visits; and (iv) analyzing media coverage.
5. The scope of consultancy services provided by Liu Yuk Ming included (i) attending sales meetings, conferences and events; and (ii) devising new sales or marketing strategies.
6. The scope of consultancy services provided by Wong Pui Wang Jefferson included (i) providing investing and financing research and support to the management; (ii) and assisting the Company to develop investing and financing projects.

The Directors consider that the terms of the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) are fair and reasonable based on the current market conditions and are on normal commercial terms. Accordingly, the Directors consider that the Subscription is in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Regarding the outstanding debts payable to the Former Directors, given all of the Former Directors no longer Directors as at 31 December 2019, the aggregate outstanding principal amount of HK\$26,603,288.50 was classified as other payables of the Company in the Company's 2019 annual report. A breakdown of the outstanding director emolument in respect of each Former Director Creditor and the Group's other payables as at 31 December 2019 are as follow:

Outstanding director emolument of Former Director Creditors as at 31 December 2019

Approx. HK\$'000

Mr. Yu Won Kong, Dennis	
Outstanding emolument as at 31 December 2016	935
Outstanding emolument and expenses claimed for the year ended 31 December 2017	5,131
Outstanding emolument and expenses claimed for the year ended 31 December 2018	4161
Outstanding emolument and expenses claimed for the year ended 31 December 2019	2,392

Total outstanding as at 31 December 2019	12,619
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Mr. Hui Kee Fung	
Outstanding emolument and expenses claimed as at 31 December 2017	5,231
Outstanding emolument and expenses claimed for the year ended 31 December 2018	4,532
Outstanding emolument and expenses claimed for the year ended 31 December 2019	2,441
Outstanding consultancy fee for the year ended 31 December 2019	1,250

Total outstanding as at 31 December 2019	13,454
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Mr. Lau Siu Wah	
Outstanding emolument as at 31 December 2016	28
Outstanding emolument and expenses claimed for the year ended 31 December 2017	503

Total outstanding as at 31 December 2019	531
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LETTER FROM THE BOARD

Breakdown of the Group's other payables as at 31 December 2019

Other payables of the Group as at 31 December 2019	<i>Approx. HK\$'000</i>
Amount owing to Former Directors	26,604
Other payables	<u>5,122</u>
Total	<u><u>31,726</u></u>

EFFECTS ON SHAREHOLDING STRUCTURE

Reference is made to the announcements of the Company dated 11 September 2019, 21 October 2019, 23 October 2019, 15 November 2019, 11 February 2020, 20 July 2020, 23 March 2021 and 25 March 2021 respectively and the circular dated 30 March 2021 in relation to the acquisition of 51% equity interest in the target company involving the issue of the convertible bonds (the “**Convertible Bonds**”) under specific mandate (the “**Major Acquisition**”). Completion of the Major Acquisition is subject to the approval by the Shareholders at the special general meeting to be convened by the Company and the granting of the listing of, and permission to deal in the conversion shares of the Convertible Bonds (the “**Conversion Shares**”) by the Stock Exchange. As at the Latest Practicable Date, the Major Acquisition has yet to be completed.

The shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after Completion; and (iii) immediately after the Completion and upon the allotment and issuance of the maximum Conversion Shares upon full exercise of the conversion right attaching to the Convertible Bonds are set out below:

Shareholder	As at the Latest Practicable Date		Immediately after the Completion		Immediately after the completion and upon the full conversion of the Convertible Bonds	
	<i>No of Shares</i>	<i>Approximate %</i>	<i>No of Shares</i>	<i>Approximate %</i>	<i>No of Shares</i>	<i>Approximate %</i>
Directors						
Mr. Zhang Qijun (<i>Note 1</i>)	33,500	0.004%	33,500	0.003%	33,500	0.003%
Mr. Liu Mingqing (<i>Note 2</i>)	5,600,000	0.735%	5,600,000	0.486%	5,600,000	0.453%
Mr. Cheng Ho On (<i>Note 3</i>)	8,500	0.001%	8,500	0.001%	8,500	0.001%
Sub-total	5,642,000	0.741%	5,642,000	0.490%	5,642,000	0.457%
Creditors (<i>Note 4</i>)						
Former Directors Creditors						
Yu Won Kong, Dennis	—	—	47,262,006	4.103%	47,262,006	3.821%
Hui Kee Fung	—	—	50,387,640	4.374%	50,387,640	4.074%
Lau Siu Wa	—	—	2,182,050	0.189%	2,182,050	0.176%
Employee Creditor						
Lau Siu Wa	—	—	8,998,188	0.781%	8,998,188	0.728%

LETTER FROM THE BOARD

Shareholder	As at		Immediately after		Immediately after the	
	the Latest Practicable Date		the Completion		completion and upon the full	
	<i>No of</i>	<i>Approximate</i>	<i>No of</i>	<i>Approximate</i>	conversion of the Convertible	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>No of</i>	<i>Approximate</i>
					<i>Shares</i>	<i>%</i>
Consultant Creditors						
Chan Tsz Sing, William	—	—	7,490,637	0.650%	7,490,637	0.606%
Liu Yuk Ming	—	—	749,064	0.065%	749,064	0.061%
Wong Pui Wang, Jefferson	—	—	3,745,318	0.325%	3,745,318	0.303%
Lender Creditors						
Ou Zhu	—	—	112,359,550	9.755%	112,359,550	9.084%
Chen Blinglin	—	—	52,445,540	4.553%	52,445,540	4.240%
Lau Siu Wa	—	—	17,153,874	1.489%	17,153,874	1.387%
Liu Falin	—	—	47,065,169	4.086%	47,065,169	3.805%
Tang Yingzhou	—	—	40,601,543	3.525%	40,601,543	3.283%
Sub-total	—	—	390,440,579	33.897%	390,440,579	31.567%
Vendor (Major Acquisition)	—	—	—	—	85,000,000	6.872%
Public Shareholder	<u>755,777,079</u>	<u>99.259%</u>	<u>755,777,079</u>	<u>65.613%</u>	<u>755,777,079</u>	<u>61.104%</u>
Total	<u>761,419,079</u>	<u>100.000%</u>	<u>1,151,859,658</u>	<u>100.000%</u>	<u>1,236,859,658</u>	<u>100.000%</u>

Notes:

1. Being the executive director and the chairman of the Company.
2. Being the executive director of the Company.
3. Being the independent non-executive director of the Company.
4. None of the Creditors will become a substantial Shareholder immediately after Completion.

SGM

The SGM will be convened at which resolution will be proposed to seek the approval of the Shareholders for, the Specific Mandate for the purpose of the Subscription by way of a poll. Shareholders and their associates, who have material interest in the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) and the transactions contemplated thereunder and hold any Shares as at the date of the SGM, shall abstain from voting on the resolution approving the Subscription and the Specific Mandate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, no shareholders of the Company have material interest in the Subscription Agreement (as supplemented by the Supplemental

LETTER FROM THE BOARD

Subscription Agreement) and the transactions contemplated thereunder and therefore, no shareholders of the Company are required to abstain from voting at the SGM to approve the relevant resolution regarding the Subscription and the Specific Mandate.

A notice convening the SGM to be held at Harbour Plaza Room I, B1/F, Harbour Plaza North Point, 665 King's Road, North Point, Hong Kong on Wednesday, 12 May 2021 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

A form of proxy for use at the SGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkex.com.hk. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company on 22 April 2021 as soon as possible and in any event not later than Monday, 10 May 2021 at 10:30 a.m. (Hong Kong time). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such event, the instrument appointing a proxy shall be deemed revoked.

All the resolutions proposed to be approved at the SGM will be taken by poll in accordance with the Listing Rules and an announcement will be made by the Company after the SGM on the results of the SGM.

RECOMMENDATION

Having considered the above, the Company considers that the terms of the Subscription are fair and reasonable and the Subscription and the Specific Mandate are in the interests of the Company and its shareholders as a whole, and recommends the shareholders of the Company to vote in favour of the resolution to be proposed at the SGM to approve the Specific Mandate for the purpose of the Subscription.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
For and on behalf of the Board of
Kiu Hung International Holdings Limited
Zhang Qijun
Chairman



Kiu Hung International Holdings Limited
僑雄國際控股有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)

(Stock Code: 00381)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Kiu Hung International Holdings Limited (the “**Company**”) will be held at Harbour Plaza Room I, B1/F, Harbour Plaza North Point, 665 King’s Road, North Point, Hong Kong on Wednesday, 12 May 2021 at 10:30 a.m. for the following purposes:

ORDINARY RESOLUTION

“THAT:

- (a) the conditional subscription agreement dated 3 November 2020 (the “**Subscription Agreement**”) and the supplemental subscription agreement dated 22 January 2021 (the “**Supplemental Subscription Agreement**”) entered into between the Company as the issuer and Creditors (as defined in the circular issued by the Company on 22 April 2021) in relation to the subscription of an aggregate of 390,440,579 new ordinary shares of the Company (the “**Subscription Shares**”) at the subscription price of HK\$0.267 per Subscription Share, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares, subject to and in accordance with the terms and conditions set out in the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement); and
- (c) any one of the Directors be and is hereby authorized to take any action for and on behalf of the Company as he or she considers necessary, desirable or expedient to carry out or give full effect to or otherwise in connection with the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) and the transactions contemplated thereunder, including without limitation, to allot and issue the Subscription Shares in accordance with the Subscription Agreement (as

NOTICE OF SGM

supplemented by the Supplemental Subscription Agreement), to make all relevant applications, registrations and filings with the Stock Exchange or other relevant regulatory authorities, to sign and execute such further documents and to do any other matters incidental thereto and/or as contemplated thereunder.”

By order of the Board
Kiu Hung International Holdings Limited
Zhang Qijun
Chairman

Hong Kong, 22 April 2021

Registered office:
Continental Buildings, 3rd Floor,
25 Church Street,
Hamilton HM12,
Bermuda

*Head office and principal place
of business in Hong Kong:*
Flat E, 20th Floor,
Lucky Plaza,
315–321 Lockhart Road,
Wan Chai
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one proxy or, if the member holds two or more Shares, to appoint more than one proxy, to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company on 22 April 2021 as soon as possible and in any event not later than Monday, 10 May 2021 at 10:30 a.m. (Hong Kong time). Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. For the determination of the entitlement of the shareholders of the Company to attend and vote at the Meeting, the register of members of the Company will be closed from 7 May 2021, Friday to 12 May 2021, Wednesday, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the SGM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 6 May 2021.