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Kiu Hung International Holdings Limited

僑雄國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00381)

UPDATE ON THE ACQUISITION OF 20% EQUITY INTERESTS AFTER COMPLETION

Reference is made to the announcements of Kiu Hung International Holdings Limited (the “Company”) on 15 January 2019, 28 February 2018, 17 April 2018, 18 May 2018, and 31 May 2018 in relation to the acquisition (the “Acquisition”) of 20% equity interests in the target company (the “Announcements”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Announcements.

On 31 May 2018, the Acquisition had been completed, and the Anhui Fu Lao Wine Development Company Limited (“Anhui Fu Lao”) is an associated company of the Company. The Board would like to provide the updated information about the facts of this Acquisition as follows:

UPDATES

The Company had signed a declaration of trust (the “DT”) with Mr. Chen Zhongji (陳宗基先生), the Vendor of the Acquisition. Pursuant to the DT, Mr. Chen Zhongji held the 20% equity interests in Anhui Fu Lao which acquired by the Company in the Acquisition (the “Sale Shares”) on behalf of the Company, the actual ownership and the rights and rewards of the Sale Shares belongs to the Company. Mr. Chen Jun Wei (陳君偉先生) inherited his father’s estate in late 2018 due to the decease of Mr. Chen Zhongji and the position of Mr. Chen Zhongji was taken by Mr. Chen Jun Wei, there is no effect to discredit the ownership of the Sale Shares which belongs to the Company.

The Company has obtained the legal opinion from 北京大成(福州)律師事務所 on the legality of the DT on 7 June 2018, pursuant to the legal opinion, the DT is effective and legally binding under the PRC Law, and the Company is the beneficiary owner of the 20% equity interest in Anhui Fu Lao.

Mr. Chen Jun Wei refused to update the register of shareholders of Anhui Fu Lao, on August 9, 2019, the Company filed a lawsuit (“民事起訴書”) with the People’s Court of Wangjiang County, Anhui Province, requesting the return of 20% equity interests of Anhui Fu Lao under the name of Mr. Chen Jun Wei to the Company. On the same day, the Wangjiang County People’s Court of Anhui Province issued a Notice of Acceptance of the case to the Company (“受理案件通知書”).

And after the lawsuit filed, Mr. Chen Jun Wei took the initiative to contact the Company, and represented that he had not been able to go to the Administration for Industrial and Commercial registration to update the register of shareholders of Anhui Fu Lao because he was engaged to deal with his father’s other inheritance matters. Mr. Chen Jun Wei agreed and promised to the Company that he will go to the Administration for Industry and Commerce to complete the equity transfer of the 20% equity interests of Anhui Fu Lao under the name of the Company before 31 December 2019 (“the Proposal”).

The Company had agreed with Mr. Chen Jun Wei’s proposal and filed a request to withdraw the lawsuit with the court on 20 August 2019. The Wangjiang County People’s Court of Anhui Province issued the Civil judgement (“民事裁定書”) to allow the withdrawal of lawsuit on the same day. In order to protect the interests of the Company and its shareholders, if Mr. Chen Jun Wei failed to complete the equity transfer procedures within the agreed time, the Company will submit the appeal to the people’s court to protect and uphold the legitimate interests of the Company.

Further announcement(s) will be made by the Company to inform the Shareholders and potential investors of any material development relating to the equity transfer progress of 20% equity interests in the Anhui Fu Lao under the name of the Company.

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

Hong Kong, 14 November 2019

As at the date of this announcement, the Board comprises two executive Directors, Mr. Zhang Qijun and Mr. Chen Jian and three independent non-executive Directors, Mr. Cheng Ho On, Mr. Kong Chun Wing and Mr. Wang Xiao Ning.