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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)

UPDATES ON BUSINESS DEVELOPMENT IN RELATION TO TANGERINE PLANTATION BUSINESS OF THE FOREST LAND IN NANFENG, JIANGXI

This announcement is voluntarily made by Kiu Hung International Holdings Limited (the “**Company**”) and its subsidiary (the “**Group**”) to provide the shareholders and prospective investors of the Company with updates in relation to the Group’s tangerine plantation business of the Forest Land in Nanfeng, Jiangxi.

Reference is made to the Company’s announcement dated 22 August 2014 in relation to the acquisition of 28% equity interests in Multijoy Developments Limited (“**Multijoy Developments**”) by the Company. Further reference is made to the Company’s announcements dated 27 January 2016 and 28 February 2017 respectively, in relation to the further acquisition of 12% and 9% equity interests in Multijoy Developments by the Company (the “**Announcements**”). Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as those defined in the Announcements.

BUSINESS REVIEW

The Forestry Concession Rights is owned by the PRC Company under three Forestry Concession Rights certificates, which is issued by the People’s Government of Nanfeng County in November 2011 to the PRC Company, for the operation of the Forest Land located at Qiawan Town, Nanfeng County, Fuzhou City, Jiangxi Province, the PRC. The Forest Land has an aggregate site area of approximately 1,765.53 mu.

On 26 March 2013, the PRC Company and the Cooperator entered into the Cooperation Agreement (supplemented on 28 March 2013). Pursuant to the Cooperation Agreement, the PRC Company is responsible for the provision of the Forest Land while the Cooperator is responsible for the operation of the tangerine plantation business on the Forest Land as well as provision of the funding, technology, and personnel required for the tangerine plantation on the Forest Land. The Cooperation Agreement also stipulates that the Cooperator shall pay a fixed royalty income for its operation of the tangerine plantation business of the Forest Land.

UPDATES ON BUSINESS DEVELOPMENT

The Forest Land of Multijoy Developments is located in a prime area to where Nanfeng high-speed railway station is adjacent. It is suitable for the development of diversified ecological sightseeing farm. Meanwhile, it can provide integrated services ranging from ecological agriculture, sports and entertainment, fishing, outward development and training, Jiangxi cuisine, business meetings, wooden house villas to spa and other projects.

The board of directors and the management of Multijoy Developments believe that the use of Forest Land for the development of diversified ecological sightseeing farm business will contribute positively to the revenue and profits of Multijoy Developments and will be beneficial to the development of the Group, thereby benefiting the Company and its shareholders as a whole. Therefore, the management of Multijoy Developments has engaged a professional development team, and the design plan has been completed to showcase the perfect combination of modernized internal facilities and rural landscape. They will improve ancillary facilities with multiple functions and provide various standard services for leisure and business meetings purposes in the future. The management of Multijoy Developments will present a complete proposal to the Qiawan Town government of Nanfeng County, Fuzhou City, Jiangxi Province, the PRC in the near future to seek approval from the government for the construction of project with a total area of 800,000 square meters and apply for changing the land use of Forest Land.

The Group will continue to seek suitable opportunities actively for the development or investment to strengthen the Group's business portfolio and realize sustainable and stable performance in the long term.

The Company will make announcements in relation to the updates on the said business in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as and when applicable.

The 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
Kiu Hung International Holdings Limited
Zhang Qijun
Chairman

Hong Kong, 16 December 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.