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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)**

**VOLUNTARY ANNOUNCEMENT  
UPDATES ON BUSINESS DEVELOPMENT  
IN RELATION TO THE BUSINESS OPERATION IN SAMOA**

This announcement is made by Kiu Hung International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) on a voluntary basis to provide the shareholders and potential investors of the Company with updates in relation to the business operation of the Group in Samoa.

Reference is made to the announcement of the Company dated 5 October 2015 in relation to the acquisition by the Company of the 19% equity interest in USO Management & Holding Co Ltd (“Associate”) on 5 October 2015. Further reference is made to the announcement dated 23 January 2019 in relation to the further acquisition by the Company of the 28% equity interest in USO Management & Holding Co Ltd (“Associate”) on 23 January 2019.

**BUSINESS REVIEW**

The Associate is a company with limited liability incorporated on 25 June 2014 under the laws of Samoa, and principally engaged in the Noni fruit plantation business in Samoa.

On 5 October 2015, the Associate and AFS (as owner of the Leased Properties) entered into a preliminary lease agreement, pursuant to which AFS granted the Associate the legal rights to use the Leased Properties for a term of 90 years plus 30 years (in a total of 120 years).

In July 2016, the Associate commenced its plantation business operation.

On 3 July 2017, the Associate and AFS entered into the Formal Lease Agreement, and AFS has filed corresponding registration application with the Ministry of Natural Resources and Environment in Samoa on the same day. The Formal Lease Agreement does not contain any clause of termination.

On 19 July 2017, the Associate completed the registration procedures with the Ministry of Natural Resources and Environment in Samoa in relation to the Formal Lease Agreement.

## **UPDATES ON BUSINESS DEVELOPMENT**

The Leased Properties of the Associate enjoys a prime location, which is suitable for the development of diversified hotels and resorts, as well as residential villa products. At the same time, such Leased Properties can provide the amenities required by local residents and tourists, including food and beverage, conferencing, and banquet services.

The Board and the management of the Associate are of opinion that a portion of the Leased Properties, which can be developed into diversified hotels, resorts, and residential villa, will make positive contribution to revenue and profit of the Associate, and be conducive to the development of the Group. Therefore, it is in the best interests of the Company the shareholders. In this regard, the management of the Associate has filed the application with AFS for changing the land use of the Leased Properties.

On 19 August 2019, AFS agreed in a letter delivered to the Associate that the land use of the Leased Properties will include public amenities, hotel operation, real estate, and commercial activities. The update on land use will also be submitted to the government of Samoa. As a result, the Associate and AFS will enter into a supplemental lease agreement to reflect the updated land use. The supplemental lease agreement will not incur any fee or consideration.

Furthermore, the Associate has received confirmation from the Gambling Control Authority that the authority will reserve the second gaming license in Samoa to the Associate if the Associate plans to construct a four- or five-star hotel on the Leased Properties. Currently, only 1 gaming license, which is permitted to operate two casinos, has been granted in Samoa.

In case of the gaming business operation, the Associate will appoint a profession gaming service provider as our contractor to operate and manage the casino business.

The Group will remain active in identifying suitable development or investment opportunities to consolidate the business portfolio of the Group, which will sustain and stabilize our business performance in the long run.

The Company will make further announcements in relation to the latest 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, 21 August 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.*