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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)

**(1) PROPOSED CHANGE OF DOMICILE;
(2) PROPOSED ADOPTION OF NEW MEMORANDUM OF CONTINUANCE
AND NEW BYE-LAWS;
(3) PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT; AND
(4) PROPOSED CAPITAL REORGANISATION
(COLLECTIVELY THE “CORPORATE ACTIONS”)**

We refer to the announcements of the Company dated 21 December 2018, 15 January 2019, 25 October 2019, 4 December 2019, 14 January 2020 and 10 February 2020 (the “**Announcements**”). Terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context otherwise stated.

The Board has obtained the consent of the Sole Subscriber to proceed with the Corporate Actions.

PROPOSED CHANGE OF DOMICILE

The Board proposes to change the domicile of the Company from Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda.

PROPOSED ADOPTION OF MEMORANDUM OF CONTINUANCE AND NEW BYE-LAWS

In connection with the Change of Domicile, the Company proposes to adopt the Memorandum of Continuance and the New Bye-laws in compliance with Bermuda laws to replace, respectively, the existing memorandum of association and articles of association of the Company.

PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT

The Board proposes to reduce the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such reduction to the contributed surplus account of the Company upon the Change of Domicile becoming effective. As at the date of this announcement, the Company has a credit balance of approximately HK\$1,451,892,000 standing in its share premium account.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation upon the Change of Domicile becoming effective which involves the following:

- (i) every twenty issued and unissued Existing Shares of HK\$0.10 each will be consolidated into one Consolidated Share of HK\$2.00 each and where applicable, the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation;
- (ii) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$1.99 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.01;
- (iii) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK\$2.00 each will be sub-divided into 200 New Shares of HK\$0.01 each; and
- (iv) the credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company which may arise from the Share Consolidation; and (ii) the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act; and
- (v) the amount standing to the credit of the contributed surplus account be applied to set off the accumulated losses of the Company in full and be applied in any other manner as may be permitted under the New Bye-laws and all applicable laws of Bermuda.

WARNING

Shareholders should be aware of and take note that the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation are conditional upon satisfaction of the conditions precedent set out in the respective paragraphs headed “Conditions of the Change of Domicile”, “Condition of the Adoption of Memorandum of Continuance and New Bye-laws”, “Conditions of the Reduction of Share Premium Account” and “Conditions of the Capital Reorganisation”. Therefore, the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation. A circular containing, amongst other things, further information on the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation and a notice to convene the EGM will be despatched to the Shareholders as soon as practicable.

PROPOSED CHANGE OF DOMICILE

Further to the Announcements, the Board proposes to change the domicile of the Company from the Cayman Islands to Bermuda by way of deregistration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The Board also proposes to implement the Capital Reorganisation upon the Change of Domicile becoming effective, details of which are set out in the section headed “Proposed Capital Reorganisation” below.

Conditions of the Change of Domicile

The Change of Domicile is conditional upon:

- (i) the passing of special resolutions by the Shareholders at the EGM to approve the Change of Domicile, and the Adoption of Memorandum of Continuance and the New Bye-laws;
- (ii) compliance with the relevant requirements under the Listing Rules and the relevant legal procedures and requirements under the laws of the Cayman Islands and the laws of Bermuda in respect of the Change of Domicile; and
- (iii) the obtaining of all necessary approvals from the relevant regulatory authorities or otherwise as may be required in respect of the Change of Domicile, if required.

The Change of Domicile is not conditional upon the Capital Reorganisation becoming effective. However, the Capital Reorganisation is conditional upon the Change of Domicile becoming effective.

Effect of the Change of Domicile

Other than the expenses to be incurred, the Change of Domicile will not alter the underlying assets, investments, management or financial position of the Company nor the proportionate interests of the Shareholders. The Company’s legal advisers as to the laws of the Cayman Islands and Bermuda are of the view that the continuation of the Company in Bermuda does not create a new legal entity or prejudice or affect the continuity of the Company. The Company will continue to maintain a principal place of business in Hong Kong.

The Change of Domicile also will not involve the formation of a new holding company, or the withdrawal of listing of the Existing Shares, any issue of new Existing Shares, any transfer of assets of the Company or any change in the existing shareholding of the Company. Implementation of the Change of Domicile will not affect the listing status of the Company on the Stock Exchange.

Reasons for the Change of Domicile

As advised by the Company's legal advisers as to the laws of the Cayman Islands, if the Company proceeds with the Capital Reorganisation under Cayman Islands laws, which includes, amongst other things, the Capital Reduction in the Cayman Islands, the sanction by the Grand Court of the Cayman Islands would be required. The Board considers that such sanction may not be obtained in a commercially expedient time frame. If the Capital Reorganisation will be effected following a change of domicile of the Company from the Cayman Islands to Bermuda through deregistration in the Cayman Islands and continuation in Bermuda, the legal advisers of the Company as to the laws of the Cayman Islands and Bermuda advised that no court order is required in the Cayman Islands or Bermuda for the Change of Domicile and the Capital Reorganisation after deregistration of the Company in the Cayman Islands and its continuation in Bermuda. The Board considers that it would save the Company's time for carrying out the Capital Reorganisation in Bermuda by first implementing the Change of Domicile.

The Board believes that the Change of Domicile is beneficial to and in the interests of the Company and the Shareholders as a whole.

PROPOSED ADOPTION OF MEMORANDUM OF CONTINUANCE AND NEW BYE-LAWS

In connection with the Change of Domicile, the Company proposes to adopt the Memorandum of Continuance and the New Bye-laws in compliance with the laws of Bermuda to replace, respectively, the existing memorandum of association and articles of association of the Company.

Condition of the Adoption of Memorandum of Continuance and New Bye-laws

The Adoption of Memorandum of Continuance and New Bye-laws is conditional upon the passing of a special resolution by the Shareholders to approve the Adoption of Memorandum of Continuance and New Bye-laws at the EGM, and the registration of the Memorandum of Continuance by the Registrar of Companies in Bermuda.

PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT

The Board proposes to reduce the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such reduction to the contributed surplus account of the Company upon the Change of Domicile becoming effective. As at the date of this announcement, the Company has a credit balance of approximately HK\$1,451,892,000 standing in its share premium account.

Conditions of the Reduction of Share Premium Account

The Reduction of Share Premium Account is conditional upon:

- (i) the Change of Domicile becoming effective;
- (ii) passing of a resolution by the Shareholders approving the Reduction of Share Premium Account at the EGM; and
- (iii) the compliance with the relevant legal procedures and requirements under the laws of Bermuda to effect the Reduction of Share Premium Account.

PROPOSED CAPITAL REORGANISATION

The Company proposes to implement the Capital Reorganisation upon the Change of Domicile becoming effective which involves the following:

(1) Proposed Share Consolidation

The Board proposes to effect the Share Consolidation pursuant to which every twenty issued and unissued Existing Shares will be consolidated into one Consolidated Share.

(2) Proposed Capital Reduction and Share Subdivision

The Board proposes that:

- (i) every twenty issued and unissued Existing Shares of HK\$0.10 each will be consolidated into one Consolidated Share of HK\$2.00 each (i.e. 1,500,000,000 issued and unissued Consolidated Shares) and where applicable, the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation (i.e. 509,519,079 Consolidated Shares);
- (ii) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$1.99 on each of the issued Consolidated Share such that the nominal value of each issued Consolidated Share (i.e. 509,519,079 Consolidated Shares) will be reduced from HK\$2.00 to HK\$0.01;
- (iii) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK\$2.00 each (i.e. 990,480,921 unissued Consolidated Shares) will be sub-divided into 200 New Shares of HK\$0.01 each (i.e. 198,096,184,200 unissued New Shares);
- (iv) the credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company which may arise from the Share Consolidation; and (ii) the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act; and
- (v) the amount standing to the credit of the contributed surplus account be applied to set off the accumulated losses of the Company in full and be applied in any other manner as may be permitted under the New Bye-laws and all applicable laws of Bermuda.

As at the date of this announcement, the authorised share capital of the Company was HK\$3,000,000,000 comprising 30,000,000,000 Existing Shares of HK\$0.10 each, of which 10,190,381,596 Existing Shares have been issued and fully paid. Immediately following the Capital Reorganisation, the authorised share capital of the Company will be HK\$3,000,000,000 divided into 300,000,000,000 New Shares of HK\$0.01 each, of which 509,519,079 Consolidated Shares will be in issue (after Capital Reorganisation) and the aggregate nominal value of the issued share capital of the Company (after Capital Reorganisation) will be HK\$5,095,190.79 (assuming that no Existing Shares will be issued or repurchased from the date hereof until the effective date of the Capital Reorganisation). A credit of HK\$1,013,942,967.21 will arise as a result of the Capital Reduction. Such credit will be transferred to the contributed surplus account of the Company which, together with the amount already in the contributed surplus account as a result of the Reduction of Share Premium Account, will then be applied by the Board to set off against the accumulated loss of the Company in full on the date of the Capital Reorganisation becoming effective. The total accumulated loss of the Company was approximately HK\$2,130,327,000 as shown in the audited consolidated financial statements of the Company for the year ended 31 December 2018.

Assuming no Existing Shares are issued from the date hereof until the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately after the Share Consolidation becoming effective but before the Capital Reorganisation becoming effective	Immediately after the Share Consolidation and Capital Reorganisation becoming effective
Authorised share capital	HK\$3,000,000,000	HK\$3,000,000,000	HK\$3,000,000,000
Par value	HK\$0.10 per Existing Share	HK\$2.00 per Consolidated Share	HK\$0.01 per New Share
Number of authorised shares	30,000,000,000 Existing Shares	1,500,000,000 Consolidated Shares	300,000,000,000 New Shares
Amount of issued share capital	HK\$1,019,038,159.60	HK\$1,019,038,158.00	HK\$5,095,190.79
Number of issued shares	10,190,381,596 Existing Shares	509,519,079 Consolidated Shares	509,519,079 New Shares
Amount of unissued share capital	HK\$1,980,961,840.40	HK\$1,980,961,842	HK\$2,994,904,809.21
Number of unissued shares	19,809,618,404 Existing Shares	990,480,921 Consolidated Shares	299,490,480,921 New Shares

The New Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders. Any fractional Share arising from the Share Consolidation will not be allocated to the Shareholders. Any fractional entitlement to the New Shares will be aggregated, sold and retained for the benefit of the Company.

Any credit arising as a result of the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act which, together with the amount already in the contributed surplus account as a result of the Reduction of Share Premium Account and any credit which may arise as a result of the cancellation of any fraction in the issued share capital of the Company arising from the Share Consolidation, will then be applied by the Board to set off against the accumulated losses of the Company (if any) in full or by the amount of such credits on the date of the Capital Reorganisation becoming effective.

Shareholders and potential investors should note that the credits arising in the books from the Capital Reorganisation will be subject to change depending on the number of the Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

As at the date of this announcement, the Company had no outstanding warrants, options or convertible securities or rights convertible into shares of the Company.

Under the laws of Bermuda, the Directors may apply the contributed surplus in any manner permitted by the laws of Bermuda and the bye-laws of the Company in effect from time to time.

There will not be any changes in the board lot size upon completion of the Capital Reorganisation. The board lot size of the New Shares will remain at 10,000.

Fractional entitlement to the New Shares

Fractions of the New Shares, if any, arising from the Capital Reorganisation will be aggregated and sold (if a premium, net of expenses, can be obtained) for the benefit of the Company.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (i) the Change of Domicile becoming effective;
- (ii) the passing of a special resolution by the Shareholders approving the Capital Reorganisation at the EGM;
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the New Shares in issue and to be issued upon the Capital Reorganisation is effected and the New Shares which may fall to be allotted and issued upon exercise of the share options to be granted under the share option scheme(s) of the Company;

- (iv) the compliance with the relevant legal procedures and requirements under the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the relevant regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Reasons for the Capital Reorganisation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. According to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Stock Exchange on 28 November 2008 and updated on 30 August 2019, (i) market price of the securities of an issuer at a level less than HK\$0.01 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000. In view of the recent market price of the Existing Shares, the Directors resolved to propose the Capital Reorganisation with the view to complying with the trading requirements under the Listing Rules.

Based on the closing price of HK\$0.015 per Existing Share as at the date of this announcement, the value of each board lot of 10,000 Existing Shares is only HK\$150.00. It is expected that the Capital Reorganisation would bring about a corresponding upward adjustment in the market price of the New Shares. The Capital Reorganisation will reduce the overall transaction and handling costs of dealings in the New Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities transaction. The Board considers that the Capital Reorganisation would maintain the transaction amount for each board lot at a reasonable level in order to attract more investors and extend the base of the Shareholders, and thus provide flexibility for equity fund raising of the Company in the future.

Pursuant to the Articles, the Company shall not issue shares at a price below par value. Since the Existing Shares are currently trading substantially below par value, the Board found it difficult to negotiate with any potential investors and financial institutions for possible subscription, offer or placing of the Existing Shares at or above the par value. As at 30 June 2019, the Group had current liabilities of approximately HK\$501 million, out of which approximately HK\$411 million was overdue. In order to reduce the current liabilities of the Company and to improve the financial position of the Company, the Company intends to explore equity fund raising opportunities (the “**Intended Fund-raising**”). In order to facilitate fund raising activities by way of equity issue or convertible securities issue, the Company considers that it is desirable and necessary to lower the par value of the Existing Shares through implementing the Capital Reorganisation.

As at the date of this announcement, the Company has yet to finalise any binding agreement regarding the Intended Fund-raising. Further announcement(s) will be made by the Company if any binding agreement is reached in respect of the Intended Fund-raising. The Company has no plans for equity fund raising in the next twelve months.

Furthermore, the credits in the contributed surplus account within the meaning of the Companies Act arising from the Capital Reorganisation will enable the Company to set off against its accumulated losses (if any) in full or by the amount of such credits and may facilitate or be applied in any future distribution to the Shareholders or be applied in any other manner permitted by the laws of Bermuda and the bye-laws of the Company in effect from time to time.

The Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Effects of the Capital Reorganisation

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group and that on the date the Capital Reorganisation is to be effected, there will be no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. No capital will be lost as a result of the Capital Reorganisation and, except for the expenses involved in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of the Company, the net asset value of the Company will remain unchanged before and after the Capital Reorganisation becoming effective. The Capital Reorganisation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Listing and dealings

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon exercise of the share options to be granted under the share option scheme(s) of the Company.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

Free exchange of share certificates and arrangement for matching service for odd lots

Subject to the Capital Reorganisation becoming effective, the Shareholders may, on or after Thursday, 21 May 2020 until Monday, 29 June 2020 (both days inclusive), submit share certificates for the Existing Shares (in blue colour) to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the New Shares (in red colour) (on the basis of twenty Existing Shares for one New Share). Thereafter, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificates cancelled/issued is higher. After 4:30 p.m. on Monday, 29 June 2020, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Details of the arrangement relating the matching service for odd lots will be announced by the Company in the circular as and when appropriate.

EXPECTED TIMETABLE

The expected timetable for implementation of the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation is set out below:

Date of announcement.....	Thursday, 13 February 2020
Expected date of despatch of circular with notice and form of proxy for the EGM.....	Wednesday, 4 March 2020
Latest time for lodging transfer documents for the EGM.....	4:30 p.m. on Friday, 20 March 2020
Book close.....	Monday, 23 March 2020 to Thursday, 26 March 2020 (both days inclusive)
Latest time for lodging the form of proxy for the EGM.....	10:30 a.m. on Tuesday, 24 March 2020
EGM.....	10:30 a.m. on Thursday, 26 March 2020
Publication of announcement of results of the EGM	Thursday, 26 March 2020

The following events are conditional on the fulfilment of the conditions for the implementation of the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation:

Expected effective date of the Change of
Domicile and the Adoption of Memorandum
of Continuance and New Bye-laws on or after Monday,
27 April 2020 (Bermuda time)/
on or after Tuesday,
28 April 2020 (Hong Kong time)

Expected effective date and time
of the Capital Reorganisation..... 9:00 a.m. on Thursday,
21 May 2020

First day of free exchange of certificates of
Existing Shares into new certificates
for New Shares Thursday, 21 May 2020

Commencement of dealings in New Shares 9:00 a.m. on Thursday,
21 May 2020

Original counter for trading in Existing Shares in board lot
size of 10,000 Existing Shares temporarily closes..... 9:00 a.m. on Thursday,
21 May 2020

Temporary counter for trading in New Shares
in board lot size of 500 New Shares
(in the form of existing share certificates) opens..... 9:00 a.m. on Thursday,
21 May 2020

Original counter for trading in New Shares in board lot size
of 10,000 New Shares (only new certificates for the
New Shares can be traded at this counter) re-opens..... 9:00 a.m. on Thursday,
4 June 2020

Parallel trading in New Shares (in the form
of new and existing certificates) commences..... 9:00 a.m. on Thursday,
4 June 2020

Designated broker starts to provide matching services
for odd lots of New Shares 9:00 a.m. on Thursday,
4 June 2020

Temporary counter for trading in New Shares in
board lot size of 500 New Shares
(in the form of existing share certificates) closes 4:10 p.m. on Wednesday,
24 June 2020

Parallel trading in New Shares (in the form
of new and existing certificates) ends 4:10 p.m. on Wednesday,
24 June 2020

Designated broker ceases to stand in the market to provide
matching services for odd lots of New Shares..... 4:10 p.m. on Wednesday,
24 June 2020

Last day and time for free exchange of certificates of
Existing Shares into new certificates for New Shares 4:30 p.m. on Monday,
29 June 2020

All times and dates specified in the timetable above refer to Hong Kong times and dates
unless otherwise specified.

The timetable is indicative only and may be extended or varied. Any change to the expected
timetable above will be announced by the Company as and when appropriate.

WARNING

Shareholders should be aware of and take note that the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account, and the Capital Reorganisation are conditional upon satisfaction of the conditions precedent set out in the respective paragraphs headed “Conditions of the Change of Domicile”, “Condition of the Adoption of Memorandum of Continuance and New Bye-laws”, “Conditions of the Reduction of Share Premium Account” and “Conditions of the Capital Reorganisation”. Therefore, the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation. In compliance with the Listing Rules, all resolutions will be voted on by way of a poll at the EGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions to be proposed at the EGM.

A circular containing, amongst other things, further information on the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation and a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

Unless otherwise required, the following terms have the following meanings in this announcement:

“Adoption of Memorandum of Continuance and New Bye-laws”	the proposed adoption of the Memorandum of Continuance and the New Bye-laws in compliance with the laws of Bermuda to replace, respectively, the memorandum of association and the articles of association of the Company
“Articles”	the existing articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through cancellation of the paid-up capital of the Company to the extent of HK\$1.99 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.01
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Share Consolidation, the Capital Reduction and the Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change of Domicile”	the proposed change of domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Kiu Hung International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	share(s) of HK\$2.00 each in the share capital of the Company immediately after the Share Consolidation becoming effective but before the Capital Reduction and the Share Subdivision becoming effective
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation
“Existing Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Continuance”	a memorandum of continuance of the Company proposed to be adopted by the Company and to take effect upon continuation of the Company in Bermuda
“New Bye-laws”	a new set of bye-laws of the Company proposed to be adopted by the Company and to take effect upon continuation of the Company in Bermuda
“New Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective, including the Consolidated Shares after Capital Reduction
“Reduction of Share Premium Account”	the proposed reduction of the entire amount standing to the credit of the share premium account of the Company
“Share Consolidation”	the proposed consolidation of every twenty issued and unissued Existing Shares into one Consolidated Share
“Shareholder(s)”	holder(s) of the Existing Share(s), the Consolidated Share(s), and/or the New Share(s), as the case may be
“Share Subdivision”	the proposed sub-division of each of the authorised but unissued Consolidated Share of HK\$2.00 par value into 200 New Shares of HK\$0.01 each

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

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

Hong Kong, 17 February 2020

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