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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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**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”)**

A notice convening the extraordinary general meeting of the Company to be held at Jasmine Room, 3rd Floor, BEST WESTERN PLUS Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong on Thursday, 9 April 2020 at 10:30 a.m. is set out on pages 38 to 42 of this circular. A form of proxy for use at the extraordinary general meeting 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](http://www.hkex.com.hk).

Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

18 March 2020

## CONTENTS

	<i>Page</i>
<b>Expected Timetable</b> .....	ii
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Appendix — Summary of the new memorandum of continuance and the bye-laws and differences with the memorandum of association and articles of association</b> .....	17
<b>Notice of EGM</b> .....	38

## 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 ..... Monday, 17 February 2020

Expected date of despatch of circular with notice  
and form of proxy for the EGM ..... Wednesday, 18 March 2020

Latest time for lodging transfer documents for the EGM ..... 4:30 p.m. on Friday,  
3 April 2020

Book close ..... Monday, 6 April 2020 to  
Thursday, 9 April 2020  
(both days inclusive)

Latest time for lodging the form of proxy for the EGM ..... 10:30 a.m. on Tuesday,  
7 April 2020

EGM ..... 10:30 a.m. on Thursday,  
9 April 2020

Publication of announcement of results of the EGM ..... Thursday, 9 April 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,  
11 May 2020 (Bermuda time)/  
on or after Tuesday,  
12 May 2020 (Hong Kong time)

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

First day of free exchange of certificates of  
Existing Shares into new certificates  
for New Shares ..... Thursday, 4 June 2020

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

<b>EXPECTED TIMETABLE</b>
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Original counter for trading in Existing Shares in board lot  
size of 10,000 Existing Shares temporarily closes ..... 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) opens ..... 9:00 a.m. on Thursday,  
4 June 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,  
18 June 2020

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

Designated broker starts to provide matching services  
for odd lots of New Shares ..... 9:00 a.m. on Thursday,  
18 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 Friday,  
10 July 2020

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

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

Last day and time for free exchange of certificates of  
Existing Shares into new certificates for New Shares ..... 4:30 p.m. on Tuesday,  
14 July 2020

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

**Dates and deadlines specified in the expected timetable above are indicative only and may  
be extended or varied. Any changes to the expected timetable will be announced by the  
Company as and when appropriate.**

## DEFINITIONS

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

“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
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Bonds”	two-year 6% bonds in the principal amount of HK\$500,000,000
“business day”	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for general business throughout their normal business hours
“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
“close associate(s)”	has the meaning ascribed to it in the Listing Rules
“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 (Stock Code: 381)

## DEFINITIONS

“Consolidated Shares”	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 at Jasmine Room, 3rd Floor, BEST WESTERN PLUS Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong on Thursday, 9 April 2020 at 10:30 a.m. 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)”	the ordinary share(s) of HK\$0.10 each in the existing issued and unissued 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
“Independent Third Party(ies)”	An individual(s) or a company(ies) who or which is/are independent and not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates and not otherwise a connected person of the Company
“Latest Practicable Date”	Monday, 9 March 2020, being the latest practicable date prior to the despatch of this circular for the purpose of ascertaining certain information contained in this circular
“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

## DEFINITIONS

“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)”	ordinary 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), 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
“Sole Subscriber”	Guangdong Wangzu Green Residential Industry Limited (“廣東旺族綠色住宅工業有限公司”), which is owned by Mr. Mei Jieli* (梅杰林) and Mr. Mei Zhehong* (梅哲鴻), who are Independent Third Parties
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

\* The English name is for identification purpose only.

LETTER FROM THE BOARD



**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)**

*Executive Directors:*

Mr. Zhang Qijun (*Chairman*)

Mr. Chen Jian

*Independent non-executive Directors:*

Mr. Cheng Ho On

Mr. Kong Chun Wing

Mr. Wang Xiao Ning

Mr. Lai Chi Yin Samuel

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Flat E, 20th Floor,

Lucky Plaza,

315-321 Lockhart Road,

Wan Chai,

Hong Kong

18 March 2020

*To the Shareholders*

Dear Sir or Madam,

- (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”)**



## LETTER FROM THE BOARD

### INTRODUCTION

Reference is made to the announcements of the Company dated 21 December 2018 and 15 January 2019, 25 October 2019, 4 December 2019, 14 January 2020, 10 February 2020, 17 February 2020 and 3 March 2020 respectively, pursuant to which, the Board proposes:

- (a) to change the 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;
- (b) 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;
- (c) 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; and
- (d) to implement the Capital Reorganisation upon the Change of Domicile becoming effective.

The purpose of this circular is to provide you with (i) details of the Change of Domicile; (ii) details of the Adoption of Memorandum of Continuance and New Bye-laws; (iii) details of the Reduction of Share Premium Account; (iv) details of the Capital Reorganisation; and (v) a notice convening the EGM and other information as required under the Listing Rules.

### CONSENT OF THE SOLE SUBSCRIBER

Reference is made to the announcements of the Company dated 14 October 2019, 26 November 2019 and 4 December 2019 whereby it is announced that the Sole Subscriber had subscribed the Bonds and the Corporate Actions proposed to be undertaken by the Company shall be subject to the prior written consent of the Sole Subscriber.

According to the supplementary subscription agreement entered into between the Company and the Sole Subscriber on 26 November 2019, it is provided that:

- (i) during the period from the date of the original subscription agreement, i.e. 11 October 2019, to the date of completion of the subscription of the Bonds, the Company shall obtain the prior written consent of the Sole Subscriber before the Company takes any action to change its domicile, alter its share capital including capital reorganization, capital reduction, share consolidation and share subdivision; and
- (ii) as long as the Bonds are outstanding, the Company shall not take any action to re-domicile, to reduce its issued share capital, to restructure its share capital including consolidation of shares or subdivision of shares, to reduce the nominal value of its

## LETTER FROM THE BOARD

shares or to do any act that will affect its share premium account unless such corporate actions have been firstly sanctioned by an Ordinary Resolution of the Bondholders.

In light of the current market price of the Existing Shares, which is at a level less than HK\$0.01 and is considered as trading at extremity as referred to under Rule 13.64 of the listing Rules and the value of each board lot of 10,000 Existing Shares is only HK\$130 as at the Latest Practicable Date, the Sole Subscriber agrees that the Corporate Actions are in the best interests of the Company and the Shareholders as a whole and have given its consent to the Corporate Actions.

### **PROPOSED CHANGE OF DOMICILE**

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.

## LETTER FROM THE BOARD

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.

A summary of the Memorandum of Continuance and New Bye-laws and differences with the memorandum of association and articles of association of the Company are set out in the appendix to this circular.

### **Conditions of the Adoption of Memorandum of Continuance and New Bye-laws**

The Adoption of Memorandum of Continuance and New Bye-laws is conditional upon:

- (i) 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
- (ii) the registration of the Memorandum of Continuance by the Registrar of Companies in Bermuda.

## LETTER FROM THE BOARD

### 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 Latest Practicable Date, 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) the passing of a special resolution by the Shareholders to approve 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:

- (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 Shares 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

## LETTER FROM THE BOARD

- (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 Latest Practicable Date, 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.

## LETTER FROM THE BOARD

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

	As at the Latest Practicable Date	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.

## LETTER FROM THE BOARD

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 Latest Practicable Date, 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 the necessary special resolution(s) 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) 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)



## LETTER FROM THE BOARD

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\$0.012 per Existing Share as at the Latest Practicable Date, the value of each board lot of 10,000 Existing Shares is only HK\$120. 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 circular, 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 other 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.



## LETTER FROM THE BOARD

### 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, 4 June 2020 until Tuesday, 14 July 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

## LETTER FROM THE BOARD

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 Tuesday, 14 July 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.

### **Matching service for odd lots**

The Company has, at its own cost, appointed Shun Loong Securities Company Limited (“**Shun Loong**”) to provide matching service for sale and purchase of odd lots of the New Shares, on a best effort basis, to Shareholders who wish to acquire odd lots of New Shares to make up a full board lot, or to dispose of their odd lots of New Shares. The Company and Shun Loong have agreed that the odd lots matching service shall be provided from 9:00 a.m. on Thursday, 18 June 2020 to 4:10 p.m. on Friday, 10 July 2020 (or such other date as may be agreed between the Company and Shun Loong and further announced by the Company if so agreed) (“**Service Period**”), both days inclusive. Shareholders who wish to utilise the service should contact Ms. Vilia Wu, Director of Shun Loong at telephone number (852) 2509 7328 or at 1801, 18/F., Lee Garden Five, 18 Hysan Avenue, Causeway Bay, Hong Kong, during the above Service Period. Holders of odd lots of the New Shares should note that successful matching of such sale and purchase is not guaranteed.

### **SUFFICIENCY OF WORKING CAPITAL**

The Company has sufficient working capital for its present requirements for at least 12 months from the date of this circular taking into account the existing cash and bank balances and other internal resources available.

### **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the appendix to this circular.

### **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”, “Conditions 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 Existing Shares, and if they are in any doubt about their position, they should consult their professional advisers.

## LETTER FROM THE BOARD

### EGM

A notice convening the EGM to be held at Jasmine Room, 3rd Floor, BEST WESTERN PLUS Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong on Thursday, 9 April 2020 at 10:30 a.m. is set out on pages 38 to 42 of this circular at which relevant resolutions will be proposed at the EGM to approve, among other things, the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation.

Each of the Change of Domicile, Adoption of Memorandum of Continuance and New Bye-laws, Reduction of Share Premium Account and Capital Reorganisation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM. To the best knowledge of the Directors, none of the Shareholders or their close associates would have any interest in the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation. Accordingly, no Shareholders would be required to abstain from voting in favour of the resolutions relating to the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation at the EGM.

A form of proxy for use at the EGM 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](http://www.hkex.com.hk). Whether or not you intend to attend and vote at the EGM, you are requested to complete and deposit the enclosed form of proxy 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 in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

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

### 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.

<b>LETTER FROM THE BOARD</b>
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**RECOMMENDATION**

The Directors consider 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 in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the EGM to approve the aforesaid resolutions.

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

Set out below is a summary of the provisions of the new memorandum of continuance (“**New Memorandum**”) and the bye-laws (“**Bye-laws**”) of the Company upon continuation in Bermuda and their material differences with the memorandum of association (“**Memorandum**”) and articles of association (“**Articles**”) of the Company prior to the Change of Domicile.

## 1. THE MEMORANDUM AND THE NEW MEMORANDUM

The Memorandum states, inter alia, that the liability of each member of the Company is limited to the amount from time to time unpaid on such member’s shares, that the objects for which the Company is established are unrestricted and that the Company shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit provided that the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

Upon continuance of the Company in Bermuda, the Company will adopt the New Memorandum which, upon filing with and registration by the Bermuda Registrar, will in effect be the Company’s new memorandum of association. The New Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the Company is an exempted company as defined in the Companies Act. The New Memorandum also sets out the objects of the Company from the date of continuance are unrestricted and that the Company has the capacity, rights, powers and privileges of a natural person. As an exempted company, the Company will be carrying on business outside Bermuda.

In accordance with and subject to section 42A of the Companies Act, the New Memorandum empowers the Company to purchase its own shares and pursuant to its Bye-laws, this power is exercisable by the Board upon such terms and subject to such conditions as it thinks fit.

## 2. THE ARTICLES AND THE BYE-LAWS

### (a) Directors

#### (i) *Power to allot and issue shares and warrants*

##### *Summary*

Subject to the Companies Act, the New Memorandum and the Bye-laws and any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine or, if there has not been any

such determination or so far as the same shall not make specific provision, as the Board may determine. Subject to the Companies Act, the New Memorandum and the Bye-laws and any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that are liable to be redeemed at a determinable date or at the option of the Company or the holder, on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the members of the Company determine. The Board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Act, the Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange (as defined in the Bye-laws) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares in the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and upon such terms and conditions as it in its absolute discretion determine, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such offer, option or shares to members of the Company or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

*Material differences*

The Articles contain similar provisions.

**(ii) *Power to dispose of the assets of the Company or any of its subsidiaries***

*Summary*

There are no specific provisions in the Bye-laws relating to the disposal of the assets of the Company or any of its subsidiaries.

*Note:* The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Bye-laws or the laws of Bermuda to be exercised or done by the Company in general meeting.

*Material differences*

The Articles do not contain any prohibition or restriction on the disposal of the assets of the Company or any of its subsidiaries.

**(iii) *Compensation or payments for loss of office***

*Summary*

Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

*Material differences*

The Articles contain the same provision.

**(iv) *Loans and provision of security for loans to Directors***

*Summary*

There are no provisions in the Bye-laws relating to the making of loans to Directors. However, the Companies Act contains restrictions on companies making loans or providing security for loans to their Directors.

*Material differences*

There are provisions in the Articles prohibiting the making of loans to a Director of the Company or to his associates (as defined in the Articles).

**(v) *Financial assistance to purchase shares of the Company***

*Summary*

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Bye-laws) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.



*Material differences*

The Articles contain the same provision.

(vi) *Disclosure of interests in contracts with the Company or any of its subsidiaries*

*Summary*

A Director may hold any other office or place of profit with the Company (except that of auditor of the Company) in conjunction with his office of Director for such period and, subject to the Companies Act, upon such terms as the Board may determine, and may be paid such remuneration (whether by way of salary, commission, participation in profits or otherwise) in respect of any such other office or place of profit in addition to any remuneration provided for by or pursuant to any other Bye-law. A Director may be or become a director or other officer of, or a member of, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Bye-laws, the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company) or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Act and to the Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with the Bye-law. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the



question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or other proposal in which he or any of his close associate(s) is materially interested, but this prohibition shall not apply to any of the following matters, namely:

- (aa) any contract or arrangement for the giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associate(s) or obligations incurred or undertaken by him or any of his close associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or to her securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associate(s) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

*Material differences*

The Articles contain similar provisions save and except that there is an extra exception to a Director's right to vote (i.e., any proposal concerning any other company in which the Director or any of his Associates (as defined in the Articles) is/are interested only, whether directly or indirectly, as an officer or executive or a Shareholder other than a company in which the Director or any of his Associates (as defined in the Articles) is/are beneficially interested in 5 per cent. or more of the issued shares of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his Associates (as defined in the Articles) is derived).

**(vii) Remuneration***Summary*

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such remuneration (unless otherwise directed by the resolution by which it is voted) shall be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day. The Directors shall be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by them in attending any Board meetings, meetings of committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law. A Director appointed to be a managing director, joint managing director, deputy managing director or to hold any other employment or other executive office of the Company shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependants or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the previous paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of, or upon, or at any time after, his actual retirement.

*Material differences*

The Articles contain similar provisions.

**(viii) *Retirement, appointment and removal***

*Summary*

At each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) will retire from office by rotation provided that every Director shall be subject to retirement at least once every three (3) years. The Directors to retire in each year will be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

*Note:* There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting. Any Director appointed by the Board to fill a casual vacancy

shall hold office until the first general meeting of members of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director fourteen (14) clear days before the meeting and, at such meeting, such Director shall be entitled to be heard on the motion for his removal. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors unless otherwise determined from time to time by members of the Company.

The Board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments (but without prejudice to any claim for damages that such Director may have against the Company or vice versa). The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

#### *Material differences*

The Articles contain substantially the similar provisions in relation to rotation, re-election and removal of Directors. However, for the removal of Directors, there is no requirement to serve any notice on the Director who is being removed nor is there any provision allowing such Director to be heard on the motion for his removal which are only required under the Companies Act. There is also no provision requesting Shareholders' approval in case of appointment of a person as an addition to the existing Board.

**(ix) Borrowing powers***Summary*

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

*Note:* These provisions, in common with the Bye-laws in general, can be varied with the sanction of a special resolution of the Company.

*Material differences*

The Articles contain substantially similar provisions.

**(b) Alterations to constitutional documents***Summary*

No Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Directors and confirmed by a special resolution of the Members of the Company. A special resolution shall be required to alter the provisions of the Memorandum or to change the name of the Company.

*Material differences*

Under the Articles, any alteration to the Memorandum and the Articles only requires the sanction of a special resolution of the Company.

**(c) Alteration of capital***Summary*

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Act:

- (i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

- (iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto any rights, privileges, conditions or restrictions which, in the absence of any such determination by the Company in general meeting, as the Directors may determine;
- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the New Memorandum (subject, nevertheless, to the Companies Act);
- (v) change the currency denomination of its share capital;
- (vi) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (vii) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may, by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or, save for the use of share premium as expressly permitted by the Companies Act, any share premium account or other undistributable reserve.

#### *Material differences*

The Articles contain similar provisions save and except that there is no express provision in the Articles authorising the Company to do (v) and (vi) by way of ordinary resolution. However, it does not necessarily mean that the Company may not do any of (v) and (vi) as the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit and the Directors have general power under the Articles to do all such acts and things that are not by the Articles or by the Companies Law required to be exercised or done in general meeting. The Company may also by special resolution reduce its share capital, any capital redemption reserve or other undistributable reserve in any manner permitted by law.

#### **(d) Variation of rights of existing shares or classes of shares**

##### *Summary*

Subject to the Companies Act, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of

the holders of the shares of that class. To every such separate general meeting the provisions of the Bye-laws relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a member of the Company being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a member of the Company being a corporation) its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

*Material differences*

The Articles contain similar provisions.

**(e) Special resolution — majority required**

*Summary*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members of the Company as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Bye-laws (see paragraph (i) below for further details).

*Material differences*

The definition of special resolution under the Articles is similar. In the case of an extraordinary general meeting convened for the purpose of passing a special resolution, at least twenty-one (21) clear days' and not less than ten (10) clear business days notice in writing must be given to all the members of the Company for the time being specifying the intention to propose the relevant resolution as a special resolution.

**(f) Voting rights**

*Summary*

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Bye-laws, at any general meeting on a poll every member present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share.



At any general meeting, a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. Each person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares held by that clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation.

Where the Company has any knowledge that any Shareholder is, under the rules of the Designated Stock Exchange (as defined in the Bye-laws), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

*Material differences*

The Articles contain similar provisions save and except that voting shall not be by way of a show of hands.

**(g) Requirements for annual general meetings**

*Summary*

An annual general meeting of the Company must be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Bye-laws)) and place as may be determined by the Board.

*Material differences*

Similarly, the Company must hold a general meeting as its annual general meeting and not more than fifteen (15) months shall elapse between the date of one annual general meeting and the next.



**(h) Accounts and audit***Summary*

The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the provisions of the Companies Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions. The accounting records shall be kept at the registered office or, subject to the Companies Act, at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

Subject to the Companies Act and the Bye-laws, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) clear days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company in general meeting in accordance with the requirements of the Companies Act provided that this provision shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures; however, to the extent permitted by and subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Bye-laws), the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the Directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the Directors' report thereon.

Subject to the Companies Act, at the annual general meeting or at a subsequent special general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the members appoint another auditor. Such auditor may be a member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company. The remuneration of the auditor shall be fixed by the Company in general meeting or in such manner as the members may determine. The members may, at any general meeting, by special resolution remove the auditor at

any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term in accordance with the requirements under the Bye-laws.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If the auditing standards of a country or jurisdiction other than Bermuda are used, the financial statements and the report of the auditor should disclose this fact and name such country and jurisdiction.

*Material differences*

The Articles contain similar provisions. However, there is no requirement to keep the book of account at the Company's registered office. There is also no requirement under the Articles to send the annual accounts and reports at the same time as of the notice of annual general meeting. The auditors of the Company shall hold office until the next annual general meeting and special resolution is sufficient to remove auditors before the expiration of his term of office. The Articles provide that no person may be appointed as the auditor unless he is independent of the Company.

**(i) Notices of meetings and business to be conducted thereat**

*Summary*

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and all other general meeting (including a special general meeting) shall be called by notice of not less than fourteen (14) clear days and not less than ten (10) clear business days (in each case exclusive of the day on which the notice is given or deemed to be given and of the day for which it is given or on which it is to take effect). The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such.

*Material differences*

The Articles contain substantially similar provisions. A notice convening a meeting to pass a special resolution shall be called by notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days.

**(j) Transfer of shares***Summary*

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Bye-laws) or in such other form as the Board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor shall shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in Bermuda or such other place in Bermuda at which the principal register is kept in accordance with the Companies Act.

The Board may, in its absolute discretion, and without giving any reason, refuse to register a transfer of any share (not being a fully paid-up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint registered holders or any transfer of any share (not being a fully paid-up share) on which the Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Bye-laws) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is duly and properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at

which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended after notice has been given by advertisement in any newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Bye-laws) or by any means in such manner as may be accepted by the Designated Stock Exchange (as defined in the Bye-laws) to that effect, at such times and for such periods as the Board may determine and either generally or in respect of any class of shares. The registration of transfers of shares shall not be suspended for periods exceeding in the whole thirty (30) days in any year.

*Material differences*

The Articles contain similar provisions.

**(k) Power for the Company to purchase its own shares**

*Summary*

Subject to the Companies Act, the New Memorandum and, where applicable, the rules of any Designated Stock Exchange (as defined in the Bye-laws) and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit.

*Material differences*

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

**(l) Power for any subsidiary of the Company to own shares in the Company**

*Summary*

There are no provisions in the Bye-laws relating to ownership of shares in the Company by a subsidiary.

*Material differences*

Similarly, the Articles do not contain any such provisions.

**(m) Dividends and other methods of distribution***Summary*

Subject to the Companies Act, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board. The Company in general meeting may also make a distribution to its members out of contributed surplus (as ascertained in accordance with the Companies Act). No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve either (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment, or (ii) that Shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. The Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to Shareholders to elect to receive such dividend in cash in lieu of such allotment.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends or bonuses unclaimed for six (6) years after having been declared may be forfeited by the Board and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

*Material differences*

The Articles contain substantially similar provisions save that dividend must be paid out of profits and reserves lawfully available for distribution including share premium and there is no reference to contributed surplus which is distributable under the laws of Bermuda only.

**(n) Proxies**

*Summary*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

*Material differences*

The Articles contain substantially similar provisions.

**(o) Call on shares and forfeiture of shares**

*Summary*

Subject to the Bye-laws and to the terms of allotment, the Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may determine from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member

willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

#### *Material differences*

The Articles contain substantially similar provisions.

### **(p) Inspection of register of members**

#### *Summary*

The register and branch register of members shall be open to inspection between 10:00 a.m. and 12:00 noon during business hours by members of the public without charge at the registered office or such other place in Bermuda at which the register is kept in accordance with the Companies Act, unless the register is closed in accordance with the Bye-laws and the Companies Act.

#### *Material differences*

The Articles contain substantially similar provisions.



**(q) Quorum for meetings and separate class meetings***Summary*

For all purposes the quorum for a general meeting shall be two members present in person or (in the case of a member being a corporation) by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

*Material differences*

The Articles contain similar provisions.

**(r) Rights of the minorities in relation to fraud or oppression***Summary*

There are no provisions in the Bye-laws relating to rights of minority Shareholders in relation to fraud or oppression. However, certain remedies are available to Shareholders under the law of Bermuda.

*Material differences*

The Articles contain no provisions specifically dealing with such rights of minority Shareholders.

**(s) Procedures on liquidation***Summary*

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in



trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

*Material differences*

The Articles contain similar provisions.

**(t) Untraceable members**

*Summary*

The Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of twelve (12) years; (ii) upon the expiry of the period of twelve (12) year, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Bye-laws) giving notice of its intention to sell such shares and a period of three months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Bye-laws), has elapsed since such advertisement and the Designated Stock Exchange (as defined in the Bye-laws) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

*Material differences*

The Articles contain similar provisions.



**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)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Kiu Hung International Holdings Limited (the “**Company**”) will be held at Jasmine Room, 3rd Floor, BEST WESTERN PLUS Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong on Thursday, 9 April 2020 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution to be proposed Notice of EGM of the Company:

**SPECIAL RESOLUTIONS**

To consider and, if thought fit, pass with or without amendments the following resolutions as special resolutions of the Company:

1. “**RESOLVED THAT**

- (a) subject to (i) passing of special resolutions numbered 1(b) and 1(c) below; (ii) the approval of the board of directors of the Company (the “**Board**”); (iii) the compliance with the relevant requirements under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the relevant legal procedures and requirements under the laws of the Cayman Islands and the laws of Bermuda; and (iv) the obtaining of all necessary governmental and regulatory consents, the change of the domicile of the Company (the “**Change of Domicile**”) from the Cayman Islands to Bermuda by way of de-registration as a company under the laws of the Cayman Islands and continuation of the Company as an exempted company under the laws of Bermuda be and is hereby approved;
- (b) conditional and immediately upon the continuance of the Company in Bermuda as an exempted company under the laws of Bermuda, the memorandum of continuance, a copy of which has been produced to the Meeting marked “**A**” and initialled by the chairman of the Meeting (the “**Chairman**”) for the purpose of identification, be and is hereby adopted in substitution for the memorandum of association of the Company, effective from the date that the memorandum of continuance be and is approved and registered by the Registrar of Companies in Bermuda;

## NOTICE OF EGM

- (c) conditional and immediately upon the continuance of the Company in Bermuda as an exempted company under the laws of Bermuda, the bye-laws of the Company, a copy of which has been produced to the Meeting marked “**B**” and initialled by the Chairman for the purpose of identification (the “**New Bye laws**”), be and are hereby adopted in substitution for the articles of association of the Company, effective from the date that the memorandum of continuance be and is approved and registered by the Registrar of Companies in Bermuda;
  - (d) conditional and immediately upon the continuance of the Company in Bermuda as an exempted company under the laws of Bermuda, (i) the maximum number of directors of the Company (the “**Directors**”) shall, for the time being, be fixed at twenty (20), (ii) each of the currently serving Directors remain and continue to be a Director until such time as they retire or their position is otherwise vacated in accordance with the New Bye-laws, and (iii) each Director acting singly be and is hereby authorised to fill any vacancies on the board of Directors and to appoint additional Directors up to the maximum number determined herein or such other maximum number as may be determined from time to time by members of the Company in general meeting and to appoint alternate Directors at their discretion; and
  - (e) anyone of the Directors be and is hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including affixing common seal of the Company, as he or she may consider necessary or expedient to give effect to or in connection with the implementation of the Change of Domicile.”
2. “**NOTED THAT** the Board has confirmed that the Company is, and on the date upon which the Capital Reorganisation (as defined below) is to be effected and after the Capital Reorganisation is effected will be, able to pay its liabilities as they become due.”
3. “**RESOLVED THAT** subject to: (i) the passing of special resolution numbered 1 above and conditional upon the Change of Domicile (as defined in special resolution numbered 1 above) becoming effective; (ii) the Stock Exchange granting the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reorganisation (as defined below); (iii) the compliance with the relevant procedures and requirements under the laws of Bermuda and the Listing Rules to effect the Reduction of Share Premium Account (as defined below) and the Capital Reorganisation; and (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required to effect the Capital Reorganisation, with effect from 9: 00 a.m. (Hong Kong time) on Thursday, 4 June 2020, being the 23rd day after the effective date of the Change of Domicile (based on Hong Kong time) or the date that the above conditions are fulfilled (if it is not a business day in Hong Kong, the immediately following business day in Hong Kong) in Hong Kong time (whichever is the later) (the “**Effective Date**”),

## NOTICE OF EGM

- (a) the entire amount standing to the credit of the share premium account of the Company as at the Effective Date be and is hereby reduced to nil and the credit arising from such reduction (the “**Reduction of Share Premium Account**”) be and is hereby transferred to an existing account of the Company designated as the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (the “**Contributed Surplus Account**”);
- (b) the necessary amount (anticipated to be approximately HK\$1,451,892,000) standing to the credit of the Contributed Surplus Account be applied in full towards offsetting the entire amount of the accumulated losses of the Company as permitted under the New Bye-laws and the Companies Act 1981 of Bermuda;
- (c) every twenty issued and unissued existing shares of the Company of HK\$0.10 each will be consolidated (the “**Share Consolidation**”) into one consolidated share (the “**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);
- (d) 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 (the “**Capital Reduction**”);
- (e) 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 (the “**Share Subdivision**”) into 200 new shares of HK\$0.01 each (the “**New Shares**”) (i.e. 198,096,184,200 unissued New Shares) (the Share Consolidation, the Capital Reduction and the Share Subdivision shall be collectively referred to as the “**Capital Reorganisation**”);
- (f) 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 within the meaning of the Companies Act 1981 of Bermuda; and
- (g) the amount standing to the credit of the contributed surplus account be applied to set off (the “**Off-Set**”) the accumulated losses of the Company in full;
- (h) each of the New Shares shall rank pari passu in all respects with each other and will have rights and privileges and be subject to the restrictions contained in the memorandum of continuance of the Company and the New Bye-laws in effect;

## NOTICE OF EGM

- (i) the credit arising in the books of the Company from (a) the Reduction of Share Premium Account, and (b) the Capital Reduction and after the effectiveness of the Off-Set be credited to the Contributed Surplus Account and the Directors be and are hereby authorised to use the amount then standing to the credit of the Contributed Surplus Account in any manner as may be permitted under the New Bye-laws and the Companies Act 1981 of Bermuda (as amended) in effect from time to time and all applicable laws including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time and/or paying a dividend and/or making any other distribution out of the Contributed Surplus Account from time to time without further authorisation from the shareholders of the Company and all such actions in relation thereto be and are approved and confirmed; and
- (j) each Director, acting singly, be and is hereby authorised to do all such acts and things and execute all such documents, which are ancillary to the Change of Domicile, the Adoption of the Memorandum of Continuance and the New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation (the “**Corporate Actions**”) and of administrative nature, on behalf of the Company, including affixing the common seal of the Company, as he or she may consider necessary or expedient to give effect to the Corporate Actions.”

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

Hong Kong, 18 March 2020

*Notes:*

- (1) A member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one proxy or, if the member holds two or more shares of the Company (the “**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 EGM 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 as soon as possible and in any event not later than 48 hours before the time for holding the Extraordinary General Meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
- (3) The register of members of the Company will be closed from Monday, 6 April 2020 to Thursday, 9 April 2020 (both dates inclusive). No transfer of Shares will be registered during that period. In order to be eligible to attend and vote at the EGM, all share transfer documents 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 Friday, 3 April 2020.

## NOTICE OF EGM

*As at the date of this notice, 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.*