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Kiu Hung International Holdings Limited

僑雄國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00381)

UPDATE ON THE ACQUISITION OF 20% EQUITY INTERESTS AFTER COMPLETION

Reference is made to the announcements of Kiu Hung International Holdings Limited (the “Company”) on 15 June 2020, 18 March 2020, 16 January 2020, 14 November 2019, 15 January 2018, 28 February 2018, 17 April 2018, 18 May 2018, and 31 May 2018 in relation to the acquisition (the “Acquisition”) of 20% equity interests in the target company (the “Announcements”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Announcements.

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

On July 8, 2020, the Company re-submitted the "Civil Indictment" to the People's Court of Wangjiang County, Anhui Province, requesting the return of the 20% equity of Anhui Fu Lao under the name of Mr. Chen Jun Wei to the Company to protect the legal rights and interests of the Company.

BASES OF LITIGATION

On June 6, 2018, the wholly-owned subsidiary of the Company had signed a declaration of trust (the “DT”) with Mr. Chen Jun Wei's father, Mr. Chen Zhongji. Pursuant to the DT, Mr. Chen Zhongji held the 20% out of the 80% equity interests in Anhui Fu Lao which acquired by the Company in the Acquisition (the “Sale Shares”) on behalf of the Company, the actual ownership and the rights and rewards of the Sales Shares belongs to the Company, Mr. Chen Zhongji agreed that Mr. Chen Zhongji should not transfer the Sales Shares without the Company's consent, and also agreed that the Company has the right to request Mr. Chen Zhongji to transfer the title of the Sales Shares under the Company's name. After the DT was signed, Mr. Chen Zhongji deceased due to illness in September 2018. Since then, the Company has continuously been asking Mr. Chen Jun Wei to return the Sales Shares to the Company and proceed the corresponding title transferring procedures, but these procedures have been delayed by Mr. Chen Jun Wei and Mr. Chen Jun Wei is uncooperative up to today. To this end, the company had no other option than to re-submitted the 民事起訴書 to the court in order to protect and uphold the legitimate interests of the Company.

THE PETITIONS SUBMITTED BY THE COMPANY IN THE LAWSUIT

1. The judgment confirms that 20% of the equity in the name of Anhui Fulao's shareholder Mr. Chen Jun Wei belongs to the Company;
2. Request Mr. Chen Jun Wei to assist in transfer the title of the 20% equity interest of Anhui Fu Lao to the Company. At the same time, Anhui Fu Lao will proceed to register the Company's name under the corresponding capital contribution certificate, in the register of shareholders, in the Anhui Fu Lao's articles of association and with the company registration authority.
3. The litigation costs in this case shall be borne by Mr. Chen Jun Wei.

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

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

Hong Kong, 8 July 2020

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