

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **SUPPLEMENTAL ANNOUNCEMENT ON THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the annual report of Kiu Hung International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2019 (the “**Annual Report**”) published by the Company on 5 June 2020. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Annual Report.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide certain additional information in relation to the Annual Report.

#### **A. WRITTEN-OFF OF PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES**

As for the deposit paid for sales right of a property development as disclosed in note 26(a) to the section headed “Notes to the Consolidated Financial Statements” of the Annual Report, the Company has engaged Fujian Ganshun Law Firm (福建乾順律師事務所) (“Ganshun”) to assess and provide legal advice on the progress and possibility of recovery of such deposit. According to the legal opinion issued by Ganshun, in respect of the investment sale agreement and the supplemental agreement entered into between Shun Jun Ventures Limited (“Shun Jun”), a subsidiary of the Company and Jiangsu Bada Property Development Company Limited (江蘇八達房地產開發有限公司) (“Jiangsu Bada”) on 7 November 2014 and 19 July 2015, Shun Jun had paid a deposit amounting to approximately HK\$106,708,000 (the “Deposit”) to the developer pursuant to the terms of the investment sale agreement. For the year ended 31 December 2019,

the Directors wrote off the carrying amount of the Deposit for the property development of the Group amounting to HK\$106,708,000. The highlights of the legal opinion is presented as follows:

**I. Notice of Nanjing Intermediate People's Court of Jiangsu Province (2018) No. Su 01 Po 9**

According to the Notice of Nanjing Intermediate People's Court of Jiangsu Province of the People's Republic of China (2018) No. Su 01 Po 9, the case regarding bankruptcy liquidation of Jiangsu Bada was accepted on 28 May 2018 and Jiangsu Sunfair Law Firm was appointed as the administrator of Jiangsu Bada. In addition, according to the notice, creditors of Jiangsu Bada shall report their creditor's right to the administrator of Jiangsu Bada by 22 September 2018. Unclaimed creditors's rights shall not be exercised in accordance with the procedures of the Enterprise Bankruptcy Law of the People's Republic of China (《中華人民共和國企業破產法》).

**II. Agenda of the creditor's meeting on the case regarding bankruptcy liquidation of Jiangsu Bada Property Development Company Limited**

According to the agenda of the creditor's meeting provided by the administrator of Jiangsu Bada, the creditors' rights of 206 creditors had been confirmed by the administrator, involving an amount totaling to RMB170,938,992.98 as of 16 April 2019.

In addition, according to the special audit report on Jiangsu Bada received by the administrator from the auditor, the carrying amount of the net assets of Jiangsu Bada amounted to RMB-29,950,857.70 as at the date of acceptance of bankruptcy by the court, namely 28 May 2018.

**III. Enterprise Bankruptcy Law of the People's Republic of China**

- (I) According to Article 56 of Chapter Six Claim of Creditor's Rights under the Enterprise Bankruptcy Law of the People's Republic of China.
- (II) According to Article 113 of Section II Conversion and Distribution of Chapter X Bankruptcy and Liquidation under the Enterprise Bankruptcy Law of the People's Republic of China.

**IV. Progress and possibility of recovery of the deposit by Shun Jun**

As Shun Jun was unable to report its creditors' rights to the administrator of Jiangsu Bada by 22 September 2018 as specified in the Notice of Nanjing Intermediate People's Court of Jiangsu Province in accordance with the requirements of the Enterprise Bankruptcy Law of the People's Republic of China, Shun Jun shall not exercise the rights in accordance with the procedures stipulated under the Enterprise Bankruptcy Law of the People's Republic of China.

Based on the principle of first settlement of bankruptcy expenses and debts of common benefits and then settlement of ordinary creditors' right in bankruptcy settlement, the carrying amount of the net assets of Jiangsu Bada is insufficient for distribution according to the ratio of settlement. Even if Shun Jun can make a supplemental report prior to the final distribution of assets subject to bankruptcy liquidation, Jiangsu Bada will have no sufficient net assets for settlement.

Based on the information currently available, the creditors' rights of Shun Jun has been determined as unrecognized creditor's rights. In addition, it is currently impossible for Shun Jun to recover the Deposit as Jiangsu Bada has no sufficient net assets for settlement of debts.

Save as disclosed above, all the other information and content of the Annual Report remain unchanged.

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

Hong Kong, 14 August 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.*