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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 and continued in Bermuda with limited liability)

(Stock Code: 00381)

UPDATES ON BUSINESS DEVELOPMENT IN RELATION TO BUSINESS OPERATION IN SAMOA AND SHAREHOLDERS MEMORANDUM

This announcement is voluntarily made by Kiu Hung International Holdings Limited (the “**Company**”) and its subsidiary (the “**Group**”) to provide the shareholders and prospective investors of the Company with updates in relation to the Group’s business operation in Samoa.

Reference is made to the Company’s announcement dated 5 October 2015 in relation to the acquisition of 19% equity interests in USO Management & Holding Co Ltd (the “**Associated Company**”) by the Company on 5 October 2015. Further reference are made to the Company’s announcement dated 23 January 2019 in relation to the further acquisition of 28% equity interests in USO Management & Holding Co Ltd by the Company on 23 January 2019 as well as the voluntary announcement dated 21 August 2019, the voluntary announcement dated 11 September 2019, the voluntary announcement dated 3 October 2019 and the business update announcement dated 9 December 2019.

INTRODUCTION

The Board is pleased to announce that on 8 March 2021, Trinity Force Investments Limited, a subsidiary of the Company, entered into a shareholders memorandum with Green Luxuriant Group Investment Limited and Lanselota Polu, both being shareholders of the Associated Company.

MATERIAL TERMS OF THE SHAREHOLDERS MEMORANDUM

Date

8 March 2021

Parties

1. Green Luxuriant Group Investment Limited (“**Party A**”);
2. Trinity Force Investments Limited (“**Party B**”); and
3. Lanselota Polu (“**Party C**”)

Proposed voting arrangement

Pursuant to the shareholders memorandum, Party A and Party C agreed and will exercise all voting rights attached to the remaining shares held by them in line with the instructions given by Party B, except for resolutions of the shareholders of the Associated Company (i) which by law or according to the articles of association of the Associated Company require only a simple majority of cast votes or a simple majority of the total issued share capital, and (ii) on a capital increase without subscriptions rights for the shareholders, and (iii) which do not comply with, or would result in a violation of, the agreements set forth in the Shareholders Agreement.

Proposed formation of the board of directors of the Associated Company

Unless otherwise agreed by all shareholders in writing, the board of directors shall have no more than five directors and the appointment and removal of all directors will be made by written notice to the Associated Company upon request of Party B.

Reasons for entering into the proposed arrangements under the shareholders memorandum

As no single shareholder of the Associated Company have control over the Associated Company, there were restrictions on the implementation of operational decisions. The purpose of entering into the proposed arrangements is to give the Company the right to control the operation and business of the Associated Company and the right to enjoy the economic benefits of such business.

UPDATES ON BUSINESS DEVELOPMENT

The Associated Company entered into a development cooperation agreement with Plantation Construction & Development Co Ltd (the “**Development Company**”), pursuant to which the Associated Company and the Development Company will jointly develop the leased properties. It is expected that the leased properties will be mainly developed for commercial purposes such as residential properties and hotels with an estimated gross floor area of approximately 300,000 square meters, which is comprised of, among others, 1,000 residential villas, high-end hotel and casino, and ancillary public amenities. Each residential villa has an area of approximately 300 square meters, the local prevailing property price of which is approximately HK\$21,000 per square meters (source: <http://www.samoarealty.net/residential.htm>). The estimated total value of 1,000 residential villas after completion is approximately HK\$6.0 billion. Under the impact of COVID-19 pandemic, the expected begin construction date of the luxury hotel and casino, as well as the first 100 residential villas will be on August 2021. After entering into the proposed arrangements, the development of leased properties will bring considerable economic benefits to the Group.

The Group and its auditor is assessing the operational and financial impacts of the proposed arrangements to the Group.

GENERAL

The Company will make further announcements in relation to the latest updates on the said business in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as and when applicable. The shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 8 March 2021

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