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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)

SUPPLEMENTAL AGREEMENT IN RELATION TO ACQUISITION OF 51% EQUITY INTERESTS IN THE TARGET COMPANY INVOLVING ISSUE OF THE CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Reference is made to the announcement of Kiu Hung International Holdings Limited dated 11 September 2019, 21 October 2019, 23 October 2019, 15 November 2019, 11 February 2020, 20 July 2020 and 23 March 2021 (the “**Announcements**”) in relation to the Group’s acquisition of 51% equity interests in the Target Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

SUPPLEMENTAL AGREEMENT

The Board announces that on 25 March 2021 (after trading hours), the Vendor, the Purchaser and the Guarantor entered into the supplemental agreement to the Sale and Purchase Agreement (the “**Third Supplemental Agreement**”) pursuant to which the parties thereto agreed to amend the Conversion Price of HK\$0.1 per Conversion Share to the new conversion price of HK\$2 (the “**New Conversion Price**”) per Conversion Share.

The New Conversion Price of HK\$2 represents:

- (a) a premium of approximately 1,880.2% to the closing price of HK\$0.101 per Share as quoted on the Stock Exchange on the date of the Third Supplemental Agreement; and
- (b) a premium of approximately 1,349.3% to the average closing price of approximately HK\$0.138 per Share for the last five consecutive trading days as quoted on the Stock Exchange immediately preceding to the date of the Third Supplemental Agreement.

The New Conversion Price was determined after arm's length negotiations between the Company and Vendor with reference to (i) the Company's capital reorganization, in particular, the share consolidation of every twenty (20) existing issued and unissued Shares of HK\$0.1 each into one (1) consolidated Share of HK\$2 each, has become effective on 17 September 2020; and (ii) the prevailing market price of the Shares. The Directors consider the New Conversion Price are fair and reasonable.

Based on the New Conversion Price and the aggregate principal amount of the Convertible Bonds of HK\$170,000,000, a total of 85,000,000 Conversion Shares will be allotted and issued. Assuming there will be no change in the number of issued Shares between the date of this announcement and the date of the allotment and issuance of the maximum Conversion Shares upon full exercise of the conversion right attaching to the Convertible Bonds, the 85,000,000 Conversion Shares will represent (i) approximately 11.16% of the existing issued shares of the Company as at the date of this announcement; and (ii) approximately 10.04% of the total number of issued shares of the Company as enlarged by the allotment and issuance of the maximum Conversion Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the table of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issuance of the maximum Conversion Share upon full exercise of the conversion right attaching to the Convertible Bonds (based on the New Conversion Price):

Shareholders	As at the date of this announcement		Immediately after full conversion of the Convertible Bonds (based on the New Conversion Price)	
	Number of Shares	%	Number of Shares	%
Mr. Zhang Qijun (<i>Note 1</i>)	33,500	0.004%	33,500	0.004%
Mr. Liu Mingqing (<i>Note 2</i>)	5,600,000	0.736%	5,600,000	0.662%
Mr. Cheng Ho On (<i>Note 3</i>)	8,500	0.001%	8,500	0.001%
Vendor (or its nominee)	—	—	85,000,000	10.042%
Public Shareholder	<u>5,777,079</u>	<u>99.259%</u>	<u>755,777,079</u>	<u>89.291%</u>
Total	<u>761,419,079</u>	<u>100%</u>	<u>846,419,079</u>	<u>100%</u>

Note:

1. Being the executive director and the chairman of the Company.
2. Being the executive director of the Company.
3. Being the independent non-executive director of the Company.

Save for the above, all other terms and conditions of the Sale and Purchase Agreement shall remain unchanged and continue in full force and effect.

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

Hong Kong, 25 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 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.