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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)

VOLUNTARY ANNOUNCEMENT

This announcement is made by Kiu Hung International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders of the Company (“**Shareholders**”) and potential investors informed of the latest business development of the Group.

EQUITY TRANSFER AGREEMENT

On 14 February 2019, the Company and Li Biqing (李碧清) (the “**Transferor**”) entered into the Jinzhi Equity Transfer Agreement (金志股權轉讓協議書) (the “**Equity Transfer Agreement**”), pursuant to which the Transferor proposed to transfer its 20% equity interest in the Target Company to the Company by way of equity transfer and the Company agreed to accept the transfer.

Pursuant to the terms of the Equity Transfer Agreement, the Transferor is required to complete the transfer of 20% equity interest in the Target Company and hand over various documents and information within 3 days after the effective date of the Equity Transfer Agreement. The Company is required to issue promissory notes in an aggregate amount of HK\$14 million to the Transferor within 7 days from the date of the transfer of 20% equity interest in the Target Company as consideration.

INVALIDATION OR CANCELLATION OF EQUITY TRANSFER AGREEMENT

On 14 February 2019, representatives of the Transferor claimed to the board of directors of the Company that the transfer documents for the change of 20% equity interest in the Target Company had been delivered to the relevant authorities for processing and requested the Company to issue promissory notes in an aggregate amount of HK\$14 million (the “**Notes**”) to the Transferor on the same day.

The directors of the Company trusted the representations made by the representatives of the Transferor and issued to the Transferor on 14 February 2019 the Notes, which expressly state that the Notes are conditional upon the fulfilment of the conditions and terms set out in the Equity Transfer Agreement.

As at the date of this announcement, the Transferor has not fulfilled all the conditions precedent as set out in the Equity Transfer Agreement, among which, the Transferor has never transferred the 20% equity interest in the Target Company to the Company, and therefore the transfer of 20% equity interest in the Target Company has not been completed. The directors of the Company have been in constant communication and liaison with the Transferor or its representatives with a view to completing the transaction as soon as possible. However, as more than two years have passed, the Board is of the view that the Transferor could not complete the transaction and considers the Equity Transfer Agreement to be invalid or cancelled. The satisfaction of the conditions and terms of the Equity Transfer Agreement is a condition precedent to the effectiveness of the Notes and therefore the Notes have never come into effect.

The Company has engaged a lawyer to demand the Transferor return the notes for cancellation. The Company has sought legal advice and will commence legal proceedings against the claims under the Equity Transfer Agreement.

CERAMICS PURCHASE AGREEMENT

On 28 February 2019, the Company and Jingdezhen Jingdong Ceramic Group Company Limited (景德鎮景東陶瓷集團有限公司) (the “**Vendor**”) entered into a ceramics purchase agreement (the “**Purchase Agreement**”) under which the Vendor will sell 10 pieces of ceramics (the “**Ceramics**”) to the Company.

Pursuant to the terms of the Purchase Agreement, the Company has issued promissory notes in an aggregate amount of HK\$17 million (the “**Ceramic Notes**”) to the Vendor as consideration. The satisfaction of the conditions and terms of the Purchase Agreement is a condition precedent to the effectiveness of the Ceramic Notes and owing to the Purchase Agreement not yet fully being performed, therefore the Ceramic Notes have never come into effect.

CHANGES TO THE TERMS OF THE CERAMICS PURCHASE AGREEMENT

In view of that the conditions precedent have never been fulfilled as the valuation of the Ceramics has never met relevant requirement of the Board, the Company and the Vendor have reached an agreement whereby the parties have agreed to separately negotiate the consideration of the Purchase Agreement. In addition, the Vendor has confirmed in writing to the Company that the Ceramic Notes are void and that will return to the Company for cancellation as soon as possible. In other words, the Purchase Agreement is now suspended or cancelled.

GENERAL

Shareholders and potential investors of the Company should note that the above information is unaudited and prepared based on the information currently available to the Group's management as at the date of this announcement, and is by no means a representation or a basis of reference or calculation for the revenue or profit to be generated by the Group or any financial performance of the Group. Shareholders and potential investors of the Company are cautioned not to place undue reliance on the above data.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 21 June 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.