

## **RESULTS**

The board of directors (the “Board”) of Kiu Hung International Holdings Limited (the “Company”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2001.

For the six months ended 30 June 2001, the Group recorded a net profit attributable to shareholders of HK\$8,349,000.

## **INTERIM DIVIDEND AND BONUS ISSUE OF SHARES AND WARRANTS**

The Board has resolved to declare an interim dividend of HK 2.5 cents per share of the Company to the shareholders whose names appear on the register of members of the Company (the “Register”) on 27 September 2001. This recommendation has been incorporated in the financial statements.

The Board also recommend a bonus issue of new shares to be distributed to the shareholders whose names appear on the Register (except those shareholders with registered address outside Hong Kong) on 27 September 2001 on the basis of one bonus shares for every one ordinary share of HK\$0.10 each in the issued share capital of the Company held. Based on the issued share capital of the Company as at the date of this report, 220,000,000 new ordinary shares of HK\$0.10 each will be issued as bonus shares. The bonus shares will rank *pari passu* in all respects with the shares of the Company in issue on the date of allotment but shall not be entitled to the proposed interim dividend for the period ended 30 June 2001. Details and conditions of such bonus issue of shares will be set out in a separate circular to be distributed by the Company shortly.

The Board has also resolved to distribute a bonus warrant to the holders of every 5 ordinary shares of HK\$0.10 each in the issued share capital of the Company whose names appear on the Register (except those shareholders with registered address outside Hong Kong) on 27 September 2001, (taking into account the abovementioned bonus shares allotted and issued), including the 220,000,000 bonus shares to be issued as stated above, at an initial subscription price of HK\$0.70 per share (adjusted for the bonus issue as mentioned above). Based on the issued share capital of the Company as at the date of this report and the 220,000,000 bonus shares stated above, 88,000,000 bonus warrants will be issued. Details and conditions of such bonus issue of warrants will be set out in a separate circular to be distributed by the Company shortly.