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Kiu Hung Energy Holdings Limited

僑雄能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00381)

**MAJOR TRANSACTION
INVOLVING AN ACQUISITION OF 28% EQUITY INTEREST IN
MULTIJOY DEVELOPMENTS LIMITED;
THE ISSUE OF CONSIDERATION SHARES AND
CONVERSION SHARES UNDER THE SPECIFIC MANDATE;
INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY;
AND
RESUMPTION OF TRADING**

THE ACQUISITION

The Board is pleased to announce that on 16 April 2014 (after trading hours of the Stock Exchange), the Purchaser (being a direct wholly-owned subsidiary of the Company) and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares for an aggregate consideration of up to HK\$196 million (subject to adjustment). The Sale Shares represent 28% of the issued share capital of the Target as at the date of the Agreement.

Upon completion of the Reorganisation, the Target will hold 100% equity interest in Ease City, which will in turn hold 100% equity interest in the PRC Company. The PRC Company is principally engaged in fruits plantation through the Cooperation Agreement, and is the sole owner of a parcel of land situated at the Qiawan Town, Nanfeng County, Fuzhou City, Jiangxi Province, the PRC with an aggregate site area of approximately 1,765.5 mu (i.e. the Land).

INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

In order to facilitate the issue of the Conversion Shares and the Consideration Shares, the Board proposed to increase its authorised share capital from HK\$200,000,000 to HK\$400,000,000 by the creation of additional 2,000,000,000 new Shares.

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios in respect of Acquisition under Rule 14.07 of the Listing Rules exceed 25%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders by way of poll. The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. As no Shareholder has any interest in the Acquisition which is materially different from other Shareholders, no Shareholder is required to abstain from voting at the EGM on the resolution to approve the Agreement and the transactions contemplated thereunder including but not limited to the issue of Consideration Shares and Conversion Shares under the specific mandate.

GENERAL

A circular containing, among other things, details of the Agreement, financial information of the Group, the financial information of the Target Group, a valuation report of the Land, a notice convening the EGM and other information as required under the Listing Rules will be despatched to the Shareholders on or before 13 May 2014 given additional time is required to prepare for the financial information of the Group and the Target Group.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted at the request of the Company with effect from 9:00 a.m. on 17 April 2014 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 22 April 2014.

Reference is made to the announcements of the Company dated 8 March 2014 and 8 April 2014 regarding the details of the MOU. The Board is pleased to announce that on 16 April 2014, after trading hours of the Stock Exchange, the Purchaser (a direct wholly-owned subsidiary of the Company) and the Vendor entered into the Agreement relating to the sale and purchase of the Sale Shares for an aggregate consideration up to HK\$196 million (subject to adjustment). Set out below are the principal terms of the Agreement.

THE AGREEMENT

Date

16 April 2014 (after trading hours)

Parties

- (i) Purchaser : Joint Hero Holdings Limited, a direct wholly-owned subsidiary of the Company; and
- (ii) Vendor : Delight Grace Limited, a company incorporated in the BVI with limited liability.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined under the Listing Rules). The principal business of the Vendor is investment holding.

Assets to be acquired

The assets to be acquired are the Sale Shares, which represent 28% of the entire issued share capital of the Target. Upon completion of the Reorganisation, the Target will hold 100% equity interest in Ease City, which will hold 100% equity interest in the PRC Company. The PRC Company is principally engaged in fruits plantation through the Cooperation Agreement and is the sole owner of the Land.

Consideration

The aggregate consideration for the Sale Shares of up to HK\$196 million (subject to adjustment) will be satisfied by the Purchaser to the Vendor at Completion in the following manner:

- (i) as to HK\$60 million payable by way of issue of the Consideration Shares; and
- (ii) as to HK\$136 million payable by way of Convertible Bonds.

The consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the preliminary valuation of the Land of approximately HK\$700 million as prepared by an independent professional valuer based on market approach by reference to the comparable transactions.

Deposits

Pursuant to the Agreement, a refundable deposit of HK\$10 million was paid by the Purchaser to the Vendor on 9 April 2014 under the MOU (details of which are set out in the announcements of the Company dated 8 April 2014) and an additional refundable deposit of HK\$4 million shall be payable by the Purchaser to the Vendor within 15 Business Days from the date of the Agreement. The aggregate deposits of HK\$14 million shall be returned to the Purchaser on the date of Completion under the Agreement.

Adjustment to the consideration

In the event that the finalised valuation of the Land is below HK\$700 million, the consideration will be adjusted downward in the following manner under the Agreement:

Adjustment = (HK\$700 million – finalised valuation of the Land) x 28%

Adjusted consideration = HK\$196 million – adjustment

Pursuant to one of the conditions precedent of the Agreement as set out below, the finalised valuation of the Land would not be less than HK\$600.0 million and thus the adjusted consideration would not be less than HK\$168.0 million. Any shortfall of the consideration will be satisfied by adjusting downward the principal amount of the Convertible Bonds.

Conditions precedent

Completion of the Agreement is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the Purchaser being reasonably satisfied with the results of the due diligence review on the Target Group, including but not limited to the assets, indebtedness, operation and financial aspect of the Target Group;
- (ii) the passing by the Shareholders at the EGM of the ordinary resolutions to approve the Agreement and the transactions contemplated thereunder, including but not limited to, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares and the Consideration Shares;
- (iii) the Vendor and the Target having obtained all necessary consent and approval relating to the Acquisition;
- (iv) the Purchaser having obtained all necessary consent and approval relating to the Acquisition;
- (v) the Reorganisation having been completed;
- (vi) a legal opinion having been issued by the PRC legal adviser appointed by the Purchaser in the form and substance to the satisfaction of the Purchaser, on the matters relating to the Acquisition including but not limited to confirming that the Cooperation Agreement is valid, subsisting, binding, and enforceable under the PRC laws;
- (vii) a valuation report of the Land having been issued by the valuer appointed by the Purchaser in the form and substance to the satisfaction of the Purchaser and the valuation of the Land being not less than HK\$600 million;
- (viii) the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares and the Consideration Shares;
- (ix) the warranties remaining true and accurate and not misleading from the date of the Agreement until the date of Completion; and
- (x) the Purchaser being satisfied that (save for that arising from the Reorganisation) there being no material adverse change to the members of the Target Group.

The Purchaser is entitled to waive by written notice conditions (i), (ix) and (x) set out above. Other conditions precedent are not capable of being waived by either party. In the event that the above conditions are not fulfilled or waived (as the case may be) on or before 30 June 2014 (or such other date that may be agreed by both parties in writing), the Agreement shall lapse and the Vendor shall return the deposits to the Purchaser within 10 Business Days. Thereafter, there shall be no further liability on the parties (save for any antecedent breach).

Completion

Completion shall take place on the 5th Business Day after fulfilment or waiver (as the case may be) of the above conditions.

Upon Completion, the Target will become an associated company of the Company and the Company will be accounted by way of equity accounting for the financial results of the Target.

The Consideration Shares

Under the Agreement, the consideration as to HK\$60 million will be satisfied by the allotment and issue of 400,000,000 Consideration Shares. The issue price of the Consideration Shares of HK\$0.15 represents:

- (i) a discount of approximately 21.05% to the closing price of HK\$0.19 per Share as quoted on the Stock Exchange on 15 April 2014, being the Last Trading Day of the Shares prior to the date of the Agreement;
- (ii) a discount of approximately 22.28% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive full trading days up to and including the Last Trading Day of HK\$0.193 per Share;
- (iii) a discount of approximately 23.86% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 consecutive full trading days up to and including Last Trading Day of HK\$0.197 per Share; and
- (iv) a premium of approximately 42.86% to the net assets value per Share of approximately HK\$0.105 based on the audited consolidated net assets value attributable to the Shareholders as at 31 December 2013.

The 400,000,000 Consideration Shares represent (i) approximately 30.10% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 23.14% of the issued share capital of the Company as enlarged by the Consideration Shares; and (iii) approximately 15.18% of the issued share capital of the Company as enlarged by the Consideration Shares and the Conversion Shares.

The Consideration Shares shall at all times rank pari passu among themselves and with the Shares in issue as at the date of issue of the Consideration Shares. The Consideration Shares and the Conversion Shares will be issued pursuant to a specific mandate to be sought at the EGM. The Company will make application to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

The Convertible Bonds

Pursuant to the Agreement, the consideration as to HK\$136 million will be satisfied by the Convertible Bonds issued by the Company to the Vendor. Set out below are the principal terms of the Convertible Bonds:

Issuer:	The Company
Aggregate principal amount:	Up to HK\$136,000,000 (in any event not less than HK\$108,000,000)
Initial conversion price:	HK\$0.15 per Conversion Share, subject to adjustments as set out below
Conversion Shares:	<p>An aggregate of 906,666,666 new Shares to be issued upon full conversion of the Convertible Bonds</p> <p>The Conversion Shares represent:</p> <ul style="list-style-type: none">(i) approximately 68.23% of the existing issued share capital of the Company;(ii) approximately 40.56% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares; and(iii) approximately 34.40% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares. <p>The Conversion Shares, when allotted and issued, will rank pari passu in all respect with the then existing issued Shares. The Conversion Shares will be issued under the specific mandate to be sought at the EGM.</p>
Interest:	Nil
Conversion period:	The Vendor is entitled to convert the Convertible Bonds at any time from the date of issue
Maturity:	The third anniversary of the date of issue of the Convertible Bonds and if this is not a Business Day, the first Business Day thereafter.

Early redemption:	For the purpose of setting off and indemnifying the Purchaser of any claim (in whole or in part) for the breach of warranty under the Agreement by the Vendor, the holder of the Convertible Bonds may at any time after the date of issue of the Convertible Bonds to the date of maturity require the Company to redeem the Convertible Bonds (in whole or in part) at 100% of the principal amount of the Convertible Bonds.
Ranking:	The Convertible Bonds will rank pari passu with all other present and future unsecured and unsubordinated obligations of the Company.
Transferability:	The Convertible Bonds are freely transferrable to any transferee (other than a connected person).
Conversion restriction:	The holder(s) shall not exercise its conversion rights conferred upon the Convertible Bonds if: <ul style="list-style-type: none"> (i) upon conversion of the Convertible Bonds, the holder together with parties acting in concert with it (as defined under the Takeovers Code) and/or its associates (as defined under the Takeovers Code), will be interested in 30% or more of the voting rights of the Company, or will trigger the obligation to make a mandatory offer by the holder and the parties acting in concert with it pursuant to Rule 26 of the Takeovers Code; or (ii) upon conversion of the Convertible Bonds, the minimum percentage of the issued share capital of the Company held by the public (as defined under the Listing Rules) falls below 25% or other percentage as prescribed under the Listing Rules.
Adjustments to the conversion price:	The conversion price will be adjusted in accordance with the relevant provisions set out in the instrument of the Convertible Bonds upon occurrence of, (i) consolidation or subdivision; (ii) capitalisation of profits or reserves; (iii) capital distributions; (iv) rights issues of Shares or options over Shares; (v) right issues of other securities; or (vi) issues at less than current market price.

Notwithstanding the above, in the event that the Directors consider that (i) an adjustment stipulated in the instrument of the Convertible Bonds should not be made or should be calculated on a different basis; (ii) an adjustment should be made notwithstanding that no such adjustment is required under the provisions; or (iii) an adjustment should take effect on different date or time, the Company may appoint an approved merchant bank or the auditors of the Company for the time being to consider whether for any reason whatever the adjustment to be made would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and if this is the case, the adjustment will be modified or nullified or an adjustment made instead of no adjustment in such manner as shall be certified by such approved merchant bank or auditors of the Company for the time being to be in its opinion appropriate.

The Directors are of the view that the interest of both of the holders of the Convertible Bonds and the Shareholders will be adequately protected given that an independent merchant bank or the auditors of the Company for the time being will be engaged to ensure that the adjustment made would fairly and appropriately reflect the relative interest of the persons affected thereby. The Directors therefore consider that such adjustment mechanism is fair and reasonable to the Company and the Shareholders as a whole and will balance the interests of the Shareholders and the holders of the Convertible Bonds.

Listing:

No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares as and when appropriate.

Voting:

The holder(s) of the Convertible Bonds will not be entitled to receive notices of, attend or vote at any meeting of the Company by reason only of it/them being the holder(s) of the Convertible Bonds.

EFFECT ON THE SHAREHOLDING STRUCTURE

Changes of the Shareholding Structure

The changes of the shareholding structure of the Company (i) as at the date of this announcement; (ii) after the allotment and issue of the Consideration Shares; and (iii) after allotment and issue of the Consideration Shares and the Conversion Shares are as follows:

	As at the date of this announcement		After the allotment and issue of the Consideration Shares		After the allotment and issue of the Consideration Shares and the Conversion Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Legend Win Profits Limited (<i>Note 1</i>)	153,500,000	11.55	153,500,000	8.88	153,500,000	5.82
Yu Won Kong, Dennis	103,007,364	7.75	103,007,364	5.96	103,007,364	3.91
Ho Siu Lan, Sandy (<i>Note 2</i>)	2,900,000	0.22	2,900,000	0.17	2,900,000	0.11
Lin Ruiping	135,000,000	10.16	135,000,000	7.80	135,000,000	5.12
Vendor	—	—	400,000,000	23.14	1,306,666,666	49.58
Other Public Shareholders	934,453,570	70.32	934,453,570	54.05	934,453,570	35.46
Total	<u>1,328,860,934</u>	<u>100.00</u>	<u>1,728,860,934</u>	<u>100.00</u>	<u>2,635,527,600</u>	<u>100.00</u>

Notes:

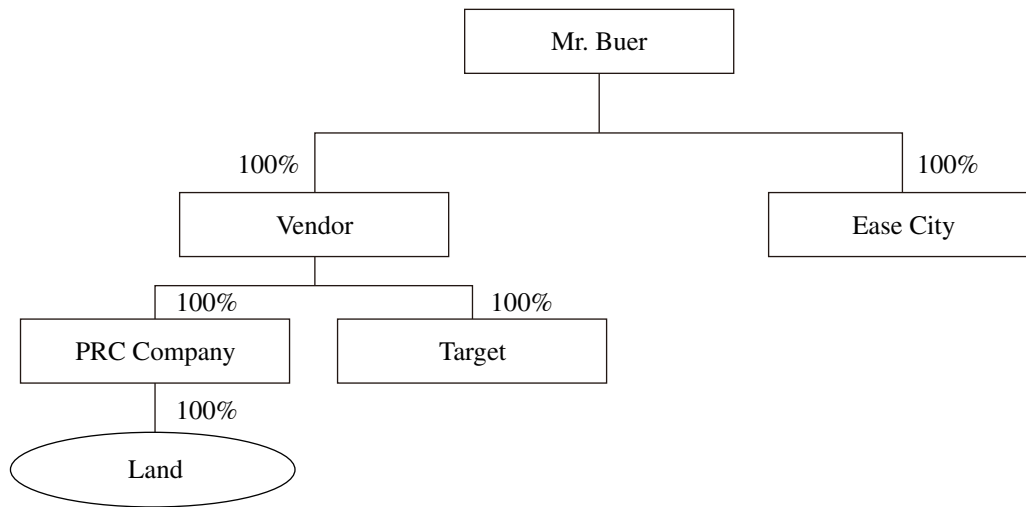
1. Legend Win Profits Limited is beneficially owned as to 38.95% by Hui Kee Fung, Chairman of the Company and executive Director, and as to 5.26% by Hui's K. K. Foundation Limited of which Hui Kee Fung is a registered member and director.
2. Ho Siu Lan, Sandy is the spouse of Yu Won Kong, Dennis, an executive Director.

INFORMATION ON THE TARGET GROUP

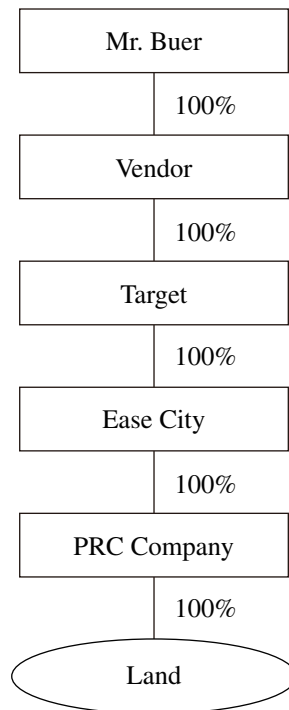
As at the date of this announcement, the Target is an investment holding company and will hold the entire issued share capital of Ease City after completion of the Reorganisation. Upon completion of the Reorganisation, Ease City will hold the entire equity interests in the PRC Company, which is principally engaged in fruits plantation through the Cooperation Agreement and is the owner of the Land.

Set out below is the shareholding structure of the Target Group immediately before and after completion of the Reorganisation:

Before the Reorganisation



Upon completion of the Reorganisation



On 26 March 2013, the PRC Company and the Cooperator entered into the Cooperation Agreement pursuant to which the Cooperator is responsible for the operation of the tangerine plantation business on the Land as well as the funding, technology, and personnel required for the tangerine plantation on the Land for a term of five years from 1 April 2013 to 31 March 2018. The Cooperation Agreement also stipulates that the Cooperator shall share a

fixed amount of annual revenue of RMB27.2 million (equivalent to approximately HK\$34.0 million) (with 10% annual increment since 1 April 2016) to the PRC Company and the surplus thereof will remain as cooperation fee of the Cooperator under the Cooperation Agreement.

As the Target and Ease City are investment holding company which have not commenced any business operations and no significant profit and loss are generated therefrom, the unaudited financial information of the PRC Company (which is the sole operating subsidiary of the Target Group) before completion of the Reorganisation for the two financial years ended 31 December 2012 and 2013 as prepared in accordance with the PRC GAAP, rather than that of the Target and Ease City, are set out below:

	For the year ended 31 December 2013 (RMB'000)	For the year ended 31 December 2012 (RMB'000)
Profit before taxation	21,058	0
Profit/(loss) after taxation	15,794	(240)
Net assets	20,227	4,433

Under the Agreement, the Vendor warrants that there would not be any material adverse change to the financial condition of the Target Group since 31 December 2013.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the manufacturing and trading of toys and gifts items and exploration of natural resources.

As disclosed in the final results announcement for the year ended 31 December 2013, the Group would review its operations from time to time and explore other investment opportunities that have earning potentials in order to expand its existing operations and diversify its business to maximise the interests of the Group and Shareholders as a whole. Taking into account that the Acquisition represents an investment opportunity with earning potentials in terms of the fixed revenue to be generated from the plantation business under the Cooperation Agreement, and it is in line with business strategy of the Company to diversify the Company's business portfolio, the Directors are of the view that the terms of the Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

As at the date of this announcement, the authorised and issued share capital of the Company are HK\$200,000,000, divided into 2,000,000,000 Shares, and HK\$132,886,093, divided into 1,328,860,934 Shares, respectively. In order to facilitate the issue of the Conversion Shares and the Consideration Shares, the Board proposed to increase its authorised share capital from HK\$200,000,000 to HK\$400,000,000 by the creation of additional 2,000,000,000 new Shares.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the approval of the Shareholders by way of poll. The EGM will be convened and held for the purpose of considering and, if thought fit, approving the resolutions in respect of the Acquisition.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition which is different from other Shareholders, and therefore no Shareholder is required to abstain from voting on the relevant resolutions to be proposed at the EGM in relation to the Agreement and the transactions contemplated thereunder including but not limited to the issue of the Consideration Shares and the Conversion Shares under the specific mandate.

GENERAL

A circular containing, among other things, details of the Agreement, financial information of the Group, the accountants' report of the Target, a notice convening the EGM and other information as required under the Listing Rules will be despatched to the Shareholders on or before 13 May 2014 as additional time is required to be prepare for the financial information of the Group and the Target Group to be included therein.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on 17 April 2014 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 22 April 2014.

DEFINITION

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the conditional sale and purchase agreement dated 16 April 2014 entered into by the Purchaser and the Vendor in relation to the Acquisition
“associates”	the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day(s) except Saturday, Sunday or other day on which licensed banks in Hong Kong are open for business throughout their normal business hours
“BVI”	the British Virgin Islands

“Company”	Kiu Hung Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 00381)
“Completion”	completion of the Acquisition under the Agreement
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration Shares”	the new Shares to be issued by the Company to settle part of the aggregate consideration of the Sale Shares
“Conversion Shares”	the Shares to be issued by the Company pursuant to the exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the principal amount of HK\$136 million to be issued by the Company to settle part of the aggregate consideration of the Sale Shares
“Cooperation Agreement”	an agreement entered into between the PRC Company and the Cooperator on 26 March 2013 and supplemented on 28 March 2013 in relation to the appointment of the Cooperator for the operations of the tangerine plantation business on the Land
“Cooperator”	上海中福企業投資發展有限公司 (Shanghai Zhongfu Enterprise Investment Development Co., Ltd.*), the cooperator appointed by the PRC Company for the operation of plantation business of tangerine on the Land
“Deposit”	the sum of HK\$10,000,000 which was paid by the Company as deposit of the Acquisition on 9 April 2014
“Director(s)”	director(s) of the Company
“Ease City”	Ease City Investments Limited, a company incorporated in Samoa with limited liability
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Price”	the issue price of HK\$0.15 of each Consideration Share

“Land”	a parcel of land and 林權 (forest land use rights*) thereof owned by the PRC Company at the Qiawan Town, Nanfeng County, Fuzhou City, Jiangxi Province, the PRC with an aggregate site area of approximately 1,765.53 mu
“Last Trading Day”	15 April 2014, being the last trading day of the Shares before the signing of the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	memorandum of understanding entered into between the Vendor and the Purchaser on 8 March 2014 and supplemented on 8 April 2014 in relation to the Acquisition
“Mr. Buer”	Mr. Buer Gude, the sole and ultimate beneficial owner of the Vendor, the Target, Ease City and the PRC Company before completion of the Reorganisation
“Purchaser”	Joint Hero Holdings Limited, a direct wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Company”	江西雅欣果業有限公司 (Jiang Xi Yaxin Fruit Industry Company Limited*), formerly known as 江西安發達果業有限公司, a company established in the PRC with limited liability
“PRC GAAP”	the accounting principles generally accepted in the PRC
“Reorganisation”	the proposed reorganisation of the Target Group pursuant to the Agreement whereby the Target will hold the entire equity interest in Ease City and Ease City will hold the entire equity interest in the PRC Company upon completion thereof
“Sale Shares”	28 shares of the Target of a par value of US\$1.00 each, representing 28% issued share capital of the Target
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target”	Multijoy Developments Limited, a company incorporated in the BVI with limited liability, the entire equity interest of which is owned by the Vendor
“Target Group”	the Target and its subsidiaries
“Vendor”	Delight Grace Limited, a company incorporated in the BVI with limited liability, the entire equity interest of which is owned by Mr. Buer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For illustration purposes only, amounts denominated in Renminbi in this announcement have been translated into Hong Kong dollars at an exchange rate of RMB1 = HK\$1.25.

* *For identification purposes only*

By order of the Board
Kiu Hung Energy Holdings Limited
Hui Kee Fung
Chairman

Hong Kong, 17 April 2014

As at the date of this announcement, the Board comprises three executive Directors, Mr. Hui Kee Fung, Mr. Yu Won Kong, Dennis and Mr. Cheung Kai Fung and one non-executive Director, Mr. Lam Kit Sun and three independent non-executive Directors, Mr. Lam Siu Lun, Simon, Mr. Zhang Xianmin and Mr. So Chun Pong, Ricky.