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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)*

**(Stock Code: 00381)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE SALE SHARES INVOLVING THE ISSUE OF THE CONSIDERATION SHARES AND THE PROMISSORY NOTES**

#### **THE SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 5 October 2015 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor and the Guarantor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of HK\$120 million. The Consideration will be satisfied in the following manner:

- (i) as to HK\$7,056,000 by the allotment and issue of the Consideration Shares, being 49,000,000 new Shares at HK\$0.144 per Share, by the Company to the Vendor within five Business Days after the Stock Exchange has granted approval for the listing of, and permission to deal in, the Consideration Shares; and
- (ii) as to the balance of the Consideration of HK\$112,944,000, by the issue of the Promissory Notes in the principal amount of HK\$112,944,000 by the Company to the Vendor at the Completion.

The 49,000,000 Consideration Shares represent approximately 1.43% of the existing issued share capital of the Company as at the date of this announcement and approximately 1.40% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. Upon Completion, the Company will own 19% equity interest in the Target Company and the Target Company will be treated as an investment of the Group.

## **LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 5 October 2015 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor and the Guarantor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares. Set out below are the principal terms of the Sale and Purchase Agreement:

## **SALE AND PURCHASE AGREEMENT**

- Date : 5 October 2015 (after trading hours of the Stock Exchange)
- Parties : (i) Trinity Force Investments Limited, as the Purchaser  
(ii) Green Luxuriant Group Investment Limited, as the Vendor  
(iii) Ms. Lin Meiling, as the Guarantor

As at the date of this announcement, the Purchaser is an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner and the Guarantor are Independent Third Parties.

## **Assets to be acquired**

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares. On 5 October 2015, the Target Company entered into the Tenancy Agreement with AFS pursuant to which AFS granted to the Target Company the legal right to use the Leased Properties for a term of 90 plus 30 years (120 years in total) at an annual lease payment of US\$120,000 (equivalent to approximately HK\$936,000) for the development of the Target Company's Plantation Business.

## Consideration

The Consideration will be satisfied the following manner:

- (i) as to HK\$7,056,000 by the allotment and issue of the Consideration Shares, being 49,000,000 new Shares at HK\$0.144 per Share, by the Company to the Vendor within five Business Days after the Stock Exchange has granted approval for the listing of, and permission to deal in, the Consideration Shares; and
- (ii) as to the balance of the Consideration of HK\$112,944,000, by the issue of the Promissory Notes in the principal amount of HK\$112,944,000 by the Company to the Vendor at the Completion.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor taking into account, among others, (i) the wide variety of noni fruit products available in the market; and (ii) the preliminary appraised value of the Valuation Report of not less than HK\$635 million.

The Consideration Shares represent (i) approximately 1.43% of the share capital of the Company as at the date of this announcement; and (ii) approximately 1.40% of the share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the share capital of the Company from the date of this announcement and up to Completion).

The issue price of the Consideration Shares of HK\$0.144 per Share represents:

- (a) a premium of approximately 2.13% over the closing price of HK\$0.141 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a premium of approximately 0.42% over the average closing price of HK\$0.1434 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day.

The issue price of the Consideration Shares was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the current market price of the Share. The Directors (including the independent non-executive Directors) consider that the issue price of the Consideration Shares is fair and reasonable and on normal commercial terms.

Based on the aforesaid, the Directors (including the independent non-executive Directors) are of the view that the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

## **Promissory Note**

Pursuant to the Sale and Purchase Agreement, the Company will issue to the Vendor the Promissory Note in the principal amount of HK\$112,944,000 upon Completion. The principal terms of the Promissory Note are summarised as follows:

Issuer: the Company

Noteholder: the Vendor (or its nominee(s))

Maximum principal Amount: HK\$112,944,000

Interest: Nil

Maturity date: the date immediately following 3 years after the date of issue of the Promissory Note (the "Maturity Date")

Transferability: the Promissory Note shall be transferrable to any party other than a connected person of the Company

Early redemption: the Company may by giving of not less than seven Business Days' prior notice in writing to the Noteholder redeem the whole or any part of the Promissory Note (in amounts of not less than HK\$1,000,000 or such other amounts agreed between the parties)

## **Conditions Precedent**

Completion of the Acquisition is conditional upon the fulfillment of the following Conditions on or before the Long Stop Date:

- (a) the Purchaser being satisfied with the result of the due diligence review of the Target Company;
- (b) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and the Target Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereby have been obtained and remain in full force and effect;
- (c) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby have been obtained and remain in full force and effect;
- (d) the representations, warranties and undertakings given by the Vendor have remained true and accurate in all respects and not misleading;
- (e) the Purchaser having obtained a legal opinion (in the form and substance to the reasonable satisfaction of the Purchaser) from a firm of Samoa legal advisers appointed by the Purchaser in respect of the transactions contemplated under the Sale and Purchase Agreement, including but not limited to the due incorporation and subsistence of the Company, the legality and validity of the sale of the Sales Shares contemplated under the Sale and Purchase Agreement, the legality of the Plantation Business and the legality and enforceability of the Tenancy Agreement;
- (f) the Purchaser having obtained the Valuation Report (in the form and substance satisfactory to the Purchaser) from an independent professional valuers appointed by the Purchaser with the valuation of the Plantation Business under discounted cash flow approach of not less than HK\$635 million;

- (g) the Purchaser being reasonably satisfied that there has not been any material adverse change on the Company since the date of the Sale and Purchase Agreement; and
- (h) the due execution of a shareholders' agreement (details of which are disclosed in the paragraph headed "Shareholders' Agreement" in this announcement) by the Vendor, the Purchaser, Lanselota Polu and the Company.

The Purchaser may in its absolute discretion at any time waive any of the Conditions (a), (d) and (g), by notice in writing to the Vendor. All other Conditions are incapable of being waived by either the Purchaser or the Vendor.

If any of the Conditions have not been fulfilled or waived (as the case may be) by the Long Stop Date, the Sale and Purchase Agreement shall cease and determine and thereafter neither party to the Sale and Purchase Agreement shall have any obligations and liabilities thereunder.

### **Guarantee**

The Guarantor unconditionally and irrevocably guarantees to the Purchaser to procure the due and punctual performance by the Vendor of all the obligations expressed to be imposed on or assumed by it under the Sale and Purchase Agreement and undertakes to indemnify and keep effectively indemnified the Purchaser (if necessary by the payment of cash on first demand) against all liabilities, losses, damages, costs and expenses stipulated under the Sale and Purchase Agreement or otherwise which the Purchaser may suffer or incur in connection with any default or delay on the part of the Vendor in the performance of such obligations provided that the Guarantor shall be discharged or released from its obligations under the Sale and Purchase Agreement after Completion.

### **Shareholders' Agreement**

Principal terms of the Shareholders' Agreement to be entered into prior to Completion, are as follows:

#### **Parties**

- (i) The Vendor;
- (ii) The Purchaser; and
- (iii) Lanselota Polu

### **Business scope of the Target Company**

The Target Company shall be principally engaged in the Plantation Business in Samoa.

### **Shareholding structure of the Target Company**

After Completion, (i) the Vendor will be interested in 61% issued share capital of the Target Company; (ii) the Purchaser will be interested in 19% issued share capital of the Target Company; and (iii) Lanselota Polu will be interested in 20% of the issued share capital of the Target Company.

## **Board composition of the Target Company**

The Board shall comprise five Directors, three of them shall be appointed and removed at the request of the Vendor; one of them shall appointed and removed at the request of the Purchaser and the remaining one of them shall be appointed and removed at the request of Lanselota Polu.

## **Finance**

The Vendor will advance to the Target Company a shareholder loan in the amount of US\$200,000 (equivalent to approximately HK\$1,560,000) within one month from the date of Completion. Any further advances made by the Shareholders of the Target Company shall be unsecured and in proportion to the respective shareholding percentages of the Vendor, the Purchaser and Lanselota Polu in the Target Company.

## **First right of refusal**

If either the Vendor or the Purchaser or Lanselota Polu (the “Disposing Shareholder”) proposes to sell or transfer any of its/his shares in the Target Company (the “Transferred Shares”) by accepting a bona fide offer from a potential buyer (the “Buyer”), such party shall promptly give written notice (the “Notice”) to the Target Company and the other shareholders describing in reasonable detail the proposed sale or transfer and in particular, the offer price (the “Offer Price”) for the Transferred Shares offered under such bona fide offer. Such other shareholders shall have 21 Business Days from the date of receipt of such notice (the “Offer Period”) to agree to purchase all or any part of the Transferred Shares at the Offer Price and upon the terms and conditions specified in the Notice.

If more than one shareholder of the Target Company agrees to purchase the Transferred Shares and the total number of the Transferred Shares agreed to be purchased by the other shareholders exceeds the number of the Transferred Shares, such shareholders shall be entitled to acquire the Transferred Shares in proportion to their percentage shareholdings interested in the Target Company on pro rata basis.

## **Dividend**

The total amount of dividends in respect of any financial year shall not be less than 50% of the net profits of the Target Company attributable to its shareholders as shown in the audited financial statements of the Company for each financial year end. Each of the Vendor and the Purchaser and Lanselota Polu is entitled to the dividend declared in proportion to their respective shareholding percentages in the Target Company.

## **Matters requiring unanimous consent from shareholders of the Target Company**

During the continuance of the Shareholders' Agreement, the following are matters requiring unanimous consents of shareholders of the Target Company:

- (a) the creation or issue of shares of the Target Company (or any of its subsidiaries) or the grant of any options over any such shares or uncalled capital of the Target Company (or any of its subsidiaries) or the issue of any warrant, debentures, securities or other obligations convertible into shares of the Target Company (or any of its subsidiaries) or enter into any agreement to do the same;
- (b) the capitalisation, repayment or other form of distribution (other than by way of dividends out of profits available for distribution) of any amount standing to the credit of any reserve of the Target Company on the redemption or purchase of its shares or any other reorganisation of share capital;
- (c) the winding-up, dissolution or liquidation of the Target Company;
- (d) the admission of any person and whether by subscription or transfer of the shares of the Target Company as a member of the Target Company (save pursuant to the provisions contained in the Shareholders' Agreement);
- (e) the alteration of the rights of the Vendor, the Purchaser and Lanselota Polu as a shareholder of the Target Company;
- (f) the alteration of the memorandum or articles of association of the Target Company and the passing of any resolutions, inconsistent with the provisions of the Shareholders' Agreement;
- (g) the entering into of any transaction with any person by the Target Company with transaction value exceeding US\$2 million (equivalent to approximately HK\$15.6 million) other than in its ordinary course of business or otherwise on a bona fide arm's length basis;
- (h) the entering into of any material contract with value exceeding US\$2 million (equivalent to approximately HK\$15.6 million) by the Target Company with the Vendor or the Purchaser or Lanselota Polu or their respective associates;
- (i) the acquisition or purchase or subscription of any shares, debentures, mortgages or securities (or interests therein) in any company, trust or other body, the formation of any subsidiary or the participation in any partnership or joint venture by the Target Company;
- (j) the lending of any moneys (otherwise than by way of deposit with a bank or other institution the normal business of which includes acceptance of deposits or normal trade credit on commonly acceptable terms), the granting of any credit, the giving of any guarantee or indemnity to any person including the Vendor, the Purchaser, Lanselota Polu and/or their respective associates;

- (k) the borrowing of any moneys exceeding US\$2 million (equivalent to approximately HK\$15.6 million) by the Target Company from banks, financial institutions or any other persons (save pursuant to the provisions contained in the Shareholders' Agreement) or the creation of any contract or obligation to pay money or money's worth exceeding US\$2 million (equivalent to approximately HK\$15.6 million);
- (l) the consolidation, amalgamation or merger of the Target Company with any other company, entity or concern or the acquisition of any other business by the Target Company;
- (m) the alteration of the composition of the board of the Target Company;
- (n) the fixing of any payment or remuneration to be made to any director of the Target Company exceeding US\$0.5 million (equivalent to approximately HK\$3.9 million) annually, or (except in accordance with the provisions of an agreement the terms of which have been previously approved by all the shareholders of the Target Company) the payment of any service, consultancy or other fees to any of the parties hereto or to persons connected with them, or the entering into or variation of any contract with any such party or person exceeding US\$1 million (equivalent to approximately HK\$7.8 million);
- (o) the change, appointment or removal of auditors of the Target Company;
- (p) the change of any dividend policy of the Target Company;
- (q) change, appointment or removal of the legal representative of the Target Company (if any);
- (r) the giving of any guarantee or indemnity for or otherwise securing the liabilities or obligations of any person (save to the Target Company's bankers to secure borrowing by the Target Company) with accumulative value at any time being in excess of US\$2 million (equivalent to approximately HK\$15.6 million);
- (s) the acquisition or disposal of any undertaking, property, asset or investment of the Target Company or interest therein which involved a consideration or payment exceeding US\$2 million (equivalent to approximately HK\$15.6 million) or the creation of any charge, mortgage or other encumbrances over such undertaking, property, asset or investment or interest therein or contracting so to do;
- (t) the granting of any power of attorney to a person other than a director of the Target Company or delegation of Target Company directors' powers that is out of usual authority of a director of the Target Company;
- (u) the commencement, defence or settlement of any material litigation, arbitration or other legal proceedings concerning the Target Company;
- (v) investment of an amount in excess of 20% of the total asset value of the Target Company;
- (w) the alternation of the Shareholders' Agreement;



- (x) the change of the status of the Target Company from private company to public company; and
- (y) the change of the scope of business of the Target Company.

### **Completion**

Subject to the fulfilment or waiver (as the case maybe) of the Conditions (a) to (g) set out above, Completion shall take place on the Completion Date (i.e. the third Business Day after the Conditions (a) to (g) have been fulfilled or waived (or such other date as the parties may agree)).

Upon Completion, the Company will own 19% equity interest in the Target Company and the Target Company will be treated as an investment of the Group.

### **INFORMATION OF THE VENDOR AND THE TARGET COMPANY**

The Vendor is wholly-owned by Ms. Lin Meiling and is principally engaged in investment holding.

The Target Company is a company incorporated under the laws of Samoa with limited liability on 25 June 2014. As at the date of this announcement, it is owned as to (i) 80% by the Vendor; and (ii) 20% by Lanselota Polu, an Independent Third Party. The Target Company will be principally engaged in the Plantation Business. On 5 October 2015, the Target Company entered into the Tenancy Agreement with AFS pursuant to which AFS granted to the Target Company the legal right to use the Leased Properties for a term of 90 plus 30 years (120 years in total) at an annual lease payment of US\$120,000 (equivalent to approximately HK\$936,000) for the development of the Target Company's Plantation Business.

Since its incorporation, the Target Company has not generated any revenue or profit and has no material asset or liability. According to the management account provided by the Target Company, the net asset value of the Target Company as at 31 August 2015 is US\$100 (equivalent to approximately HK\$780).

### **APPLICATION FOR LISTING**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Consideration Shares. The Consideration Shares, when allotted and issued, will rank pari passu in all respects with the existing Shares in issue.

### **GENERAL MANDATE TO ISSUE THE CONSIDERATION SHARES**

The Consideration Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 571,115,519 Shares. As at the date of this announcement, the General Mandate has been utilised as to 521,551,800 Shares and 49,563,719 Shares remain unutilised. Accordingly, the General Mandate is sufficient for the issue and allotment of the Consideration Shares and is not subject to the Shareholders' approval.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The principal business activity of the Company is investment holding. The Group is principally engaged in (i) the manufacturing and trading of toys and gifts items; (ii) exploration of natural resources; and (iii) the investment in business related to fruit plantation.

The Company is of the view that the Acquisition is an attractive opportunity for the Group to enhance the business portfolio of its existing fruit plantation business.

Having considered the above, the Directors believe that entering into of the Sale and Purchase Agreement will provide a great opportunity to the Group to provide a sustainable growth to the Company's assets, thus potentially greater return for the Shareholders.

The Directors further consider that the entering into of the Sale and Purchase Agreement will not change the nature of the Group's principal business but will diversify the Group's business portfolio. In view of the above, the Directors consider that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 3,434,907,176 Shares in issue. The shareholding interests of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion and issue of Consideration Shares, assuming there is no change in the issued share capital of the Company from the date of this announcement and up to Completion:

	(i) as at the date of this announcement		(ii) immediately after the Completion and issue of Consideration Shares, assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Substantial Shareholders:</b>				
Delight Grace Limited (Note 1)	506,666,666	14.75	506,666,666	14.55
Legend Win Profits Limited (Note 2)	153,500,000	4.47	153,500,000	4.41
Yu Won Kong, Dennis	103,007,364	3.00	103,007,364	2.96
Ho Siu Lan, Sandy (Note 3)	2,900,000	0.08	2,900,000	0.08
<b>Public Shareholders:</b>	2,668,833,146	77.70	2,668,833,146	76.60
<b>Vendor:</b>	—	—	49,000,000	1.40
<b>Total:</b>	<u>3,434,907,176</u>	<u>100.00</u>	<u>3,483,907,176</u>	<u>100.00</u>

Notes:

1. Delight Grace Limited, a company incorporated in BVI with limited liability, the entire equity interest of which is wholly-owned by Mr. Buer as at the date of this announcement.
2. Legend Win Profits Limited, a company incorporated in BVI with limited liability, the issued share capital of which is beneficially owned by Mr. Hui Kee Fung, the chairman of the Company and an executive Director, and Hui's K. K. Foundation Limited as to 38.95% and 5.26%, respectively. Hui's K. K. Foundation Limited is a company incorporated in Hong Kong, limited by guarantee and does not have a share capital. Mr. Hui Kee Fung is a registered member and director of Hui's K. K. Foundation Limited.
3. Ms. Ho Siu Lan, Sandy is the spouse of Mr. Yu Won Kong, Dennis, an executive Director.

## LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

“Acquisition”	the acquisition of the Sale Shares pursuant to the terms and conditions of the Sale and Purchase Agreement;
“AFS”	The Alii and Faipule of the Village of Sasina, Savaii, owners of the Leased Properties;
“Board”	the board of Directors;
“Business Day(s)”	a day (other than a Saturday, a Sunday or a public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“BVI”	British Virgin Islands;
“Company”	Kiu Hung International Holdings Limited (Stock Code: 381), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange;
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement;
“Completion Date”	the third Business Day immediately following the date that the Conditions (a) to (g) having been fulfilled or waived (as the case may be) but not later than the Long Stop Date;
“Condition(s)”	the conditions precedent of the Completion, details of which are set out in the paragraph headed “Conditions Precedent” of this announcement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the total consideration payable by the Purchaser to the Vendor for the Sale Shares, being HK\$120 million;
“Consideration Shares”	49,000,000 new Shares to be allotted and issued to the Vendor at HK\$0.144 per Share for the settlement of part of the Consideration;

“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 1 June 2015, among other things, to allot, issue and deal with up to 571,115,519 shares, being 20% of the then issued share capital of the Company as at 1 June 2015;
“Group”	the Company and its subsidiaries;
“Guarantor”	Ms. Lin Meiling, an Independent Third Party;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and its connected person(s);
“Last Trading Day”	5 October 2015, being the last trading day immediately before the entering into of the Sale and Purchase Agreement;
“Leased Properties”	approximately 500 acres of prime agricultural property located at Sasina, Savaii in Samoa;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	5 November 2015 or such later date as the parties to the Sale and Purchase Agreement may agree in writing;
“Plantation Business”	the noni fruit plantation business proposed to be carried on by the Target Company on the Leased Properties;
“Promissory Notes”	the promissory notes in the principal amount of HK\$112,944,000 to be issued by the Company to the Vendor in satisfaction of part of the Consideration;
“Purchaser”	Trinity Force Investments Limited, a company incorporated in BVI and an indirect wholly-owned subsidiary of the Company;
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 5 October 2015, including its amendments or replacement, entered into among the Vendor, the Guarantor and the Purchaser in relation to the Acquisition;

“Sale Shares”	the 19 shares of the Target Company, representing 19% of the total issued share capital of the Target Company as at the date of this announcement and at Completion;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the capital of the Company;
“Shareholders”	the holders of Shares;
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among the Vendor, the Purchaser, Lanselota Polu and the Company prior to Completion;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	USO Management & Holding Co Ltd, a company incorporated in Samoa with limited liability;
“Tenancy Agreement”	the tenancy agreement for lease of customary land dated 5 October 2015 and entered into between AFS and the Target Company with respect to the leasing of the Leased Properties;
“Valuation”	the valuation of the Plantation Business under discounted cashflow approach;
“Valuation Report”	a valuation report (in the form and substance satisfactory to the Purchaser) prepared by the Valuer of the Valuation as at 31 August 2015;
“Valuer”	an independent professional valuation firm namely LCH (Asia-Pacific) Surveyors Limited;
“Vendor”	Green Luxuriant Group Investment Limited, a company incorporated in BVI with limited liability;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“US\$”	United States dollars, the lawful currency of the United States of America;
“%”	per cent.

By Order of the Board  
**Kiu Hung International Holdings Limited**  
**Hui Kee Fung**  
*Chairman*

Hong Kong, 5 October 2015

*As at the date of this announcement, the Board comprises five executive Directors, Mr. Hui Kee Fung, Mr. Yu Won Kong, Dennis, Mr. Long Tien Ian, Mr. Mtafi, Rachid Rene and Mr. Yip Kong Nam, one non-executive Director, Mr. Lam Kit Sun and three independent non-executive Directors, Mr. Lam Siu Lun, Simon, Mr. So Chun Pong, Ricky and Mr. Wang Xiao Ning.*

*For the purpose of this announcement, unless otherwise indicated, conversion of US\$ into HK\$ are calculated at the approximate exchange rate of US\$1.00 to HK\$7.80. This exchange rate is for purpose of illustration only and do not constitute a representation that any amount have been, could have been, or may be, exchanged at this or another rate.*

*If there is any inconsistency in this announcement between the Chinese and English versions and the English version shall prevail.*