

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that based on the information currently available, the Group is expected to record a substantial increase in loss for the year ended 31 December 2014 as compared to the loss for the year ended 31 December 2013.

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

This announcement is made by Kiu Hung International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

Reference is made to the circular of the Company dated 22 August 2014 in relation to the Acquisition of a 28% equity interest in Multijoy Developments Limited. Capitalized terms used herein shall bear the same meanings as defined in this circular unless otherwise stated.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the information currently available, the Group is expected to record a substantial increase in loss for the year ended 31 December 2014 as compared to the loss for the year ended 31 December 2013.

Based on the information currently available to the Group, the anticipated substantial increase in loss was mainly attributable to a significant amount of provision for impairment of investment in an associate of the Group.

Upon initial recognition of the Acquisition, which is classified as investment in an associate, on 17 September 2014, the Group had to account for the fair value of the Consideration of HK\$196 million with reference to the closing market price of HK\$0.46 per Share as at the Completion Date of the Acquisition rather than the issue price of HK\$0.15 per Share of the Consideration Shares and the initial conversion price of HK\$0.15 per Conversion Share in accordance with the relevant accounting standards of Hong Kong Financial Reporting Standards. As such, the fair value of the Consideration with reference to the closing market price of HK\$0.46 per Share was determined to be approximately HK\$601 million, which is in excess of the fair value of the net identifiable assets acquired in respect of the Target Group (after taking into account the relevant deferred tax liabilities of the Target Group) by approximately HK\$450 million. Such excess was considered to be immediately impaired. As a result, a provision for impairment of investment in an associate of approximately HK\$450 million was recorded in the unaudited consolidated financial statements accordingly. Such provision for impairment had no impact to the cash flows of the Group for the year ended 31 December 2014.

Save as the above-mentioned provision for impairment of investment in an associate, the loss for the year ended 31 December 2014 is comparable to the loss for the year ended 31 December 2013.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2014. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available to the Group, which has not yet been audited nor reviewed by the Company's auditor. The annual results announcement of the Company is expected to be published on 31 March 2015.

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

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

Hong Kong, 24 March 2015

As at the date of this announcement, the Board comprises four executive directors, Mr. Hui Kee Fung, Mr. Yu Won Kong, Dennis, Mr. Cheung Kai Fung and Mr. Long Tien Ian, 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.