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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)

FURTHER ANNOUNCEMENT

- (1) SUPPLEMENTAL AGREEMENT TO THE SALE AND PURCHASE AGREEMENT;**
- (2) SUPPLEMENTAL AGREEMENT TO THE SHAREHOLDERS' AGREEMENT; AND**
- (3) THE PROPOSED ISSUE OF THE CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

Reference is made to the Previous Announcements in relation to the Acquisition, the Initial Completion and the extension of the Milestone Time Limit.

As disclosed in the announcement of the Company dated 3 December 2015, the Extended Milestone Time Limit had lapsed and the parties to the Sale and Purchase Agreement and the Shareholders' Agreement were still in discussions in this respect.

SUPPLEMENTAL AGREEMENT TO THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that, on 16 December 2015 (after trading hours), the parties to the Sale and Purchase Agreement (i.e. the Vendor, the Purchaser, the Company and Ms. Wei) entered into the SPA Supplemental Agreement to amend and modify certain terms of the Sale and Purchase Agreement as set out in this announcement.

Save as specifically amended, varied or modified by the SPA Supplemental Agreement, all other terms of the Sale and Purchase Agreement remain in full force and effect.

SUPPLEMENTAL AGREEMENT TO THE SHAREHOLDERS' AGREEMENT

The Board is pleased to further announce that, on 16 December 2015 (after trading hours), the parties to the Shareholders' Agreement (i.e. the Vendor, the Purchaser and the Target Company) entered into the SHA Supplemental Agreement to amend and modify certain terms of the Shareholders' Agreement as set out in this announcement, in light of the amendments pursuant to the SPA Supplemental Agreement.

Save as specifically amended, varied or modified by the SHA Supplemental Agreement, all other terms of the Shareholders' Agreement remain in full force and effect.

THE PROPOSED ISSUE OF THE CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Pursuant to the SPA Supplemental Agreement, the Convertible Bonds will set off in full the entire principal amount of the New Promissory Notes upon CB Completion.

Under the terms and conditions of the Convertible Bonds, the Convertible Bonds will not be interest bearing. A total of not less than 418,181,818 Conversion Shares (based on the upper limit of the Conversion Price i.e. HK\$0.22 per Conversion Share (subject to adjustment)) but not more than 613,333,333 Conversion Shares (based on the lower limit of the Conversion Price, i.e. HK\$0.15 per Conversion Share (subject to adjustment)) will be allotted and issued upon full conversion of the Convertible Bonds. Based on the lower limit of the Conversion Price (i.e. HK\$0.15 per Conversion Share) and assuming that there will be no change in the issued share capital of the Company before the date of issue of the Conversion Shares and that there will not be any adjustment on the Conversion Price, the 613,333,333 Conversion Shares represent (i) approximately 17.31% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 14.75% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Principal terms of the Convertible Bonds are set out in the sub-section headed "Principal terms of the Convertible Bonds" in the section headed "The Proposed Issue of the Convertible Bonds under Specific Mandate" of this announcement.

SPECIFIC MANDATE

The Company will seek the grant of the Specific Mandate from the Independent Shareholders to cater for the allotment and issue of the Conversion Shares upon full exercise of the conversion rights of the Convertible Bonds. The general mandate and the refreshed general mandate to allot and issue Shares granted at the annual general meeting of the Company held on 1 June 2015 and to be granted at the extraordinary general meeting of the Company to be held on 30 December 2015 by the then Shareholders, respectively, will not be utilized for the allotment and issue of the Conversion Shares.

LISTING RULES IMPLICATION

As the Vendor has a material interest in the SPA Supplemental Agreement and the proposed issue of the Convertible Bonds, the Vendor and its close associate(s) shall abstain from voting at the EGM to be convened to consider and, if thought fit, to approve, among other things, the grant of the Specific Mandate. As confirmed by the Vendor, as at the date of this announcement, the Vendor and its close associates do not hold any Shares.

GENERAL

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Specific Mandate for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds.

A circular containing, amongst other things, further details of the grant of the Specific Mandate together with a notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

The CB Completion is conditional upon satisfaction (or waiver where applicable) of certain Conditions Precedent under the SPA Supplemental Agreement and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional advisers.

Reference is made to the Previous Announcements in relation to the Acquisition, the Initial Completion and the extension of the Milestone Time Limit. Defined terms used herein shall bear the same meanings as defined in the Previous Announcements unless otherwise stated.

As disclosed in the announcement of the Company dated 3 December 2015, the Extended Milestone Time Limit had lapsed and the parties to the Sale and Purchase Agreement and the Shareholders' Agreement were still in discussions in this respect.

SUPPLEMENTAL AGREEMENT TO THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that, on 16 December 2015 (after trading hours), the parties to the Sale and Purchase Agreement (i.e. the Vendor, the Purchaser, the Company and Ms. Wei) entered into the SPA Supplemental Agreement to amend and modify certain terms of the Sale and Purchase Agreement as set out in this announcement.

Date: 16 December 2015 (after trading hours)

Parties:

- (1) The Company;
- (2) Kiu Hung Leisure Holidays Company Limited, as the Purchaser;

- (3) Unicorn Sino Limited, as the Vendor; and
- (4) Ms. Wei.

Major amendments and variations to the Sale and Purchase Agreement

Pursuant to the SPA Supplemental Agreement, with effect from the date of the SPA Supplemental Agreement, the parties thereto agree that:–

1. The Promissory Notes (in the principal amount of HK\$92.0 million) issued by the Company at the Initial Completion shall be cancelled and replaced by the New Promissory Notes (also in the principal amount of HK\$92.0 million) on the date of the SPA Supplemental Agreement.
2. The clause relating to the form of settlement of the Promissory Notes, including but not limited to the issue of PN Consideration Shares, shall cease to be of effect.
3. All references to “*Milestones*” and “*Milestone Time Limit*” shall cease to be of effect from the date of the SPA Supplemental Agreement.
4. The definition of “*Relevant Period*” (originally the period from 23 April 2015 to 22 April 2016) shall be superseded and amended as “*the period from 1 January 2016 to 31 December 2016*”.

Save as specifically amended, varied or modified by the SPA Supplemental Agreement, all other terms of the Sale and Purchase Agreement remain in full force and effect.

Consideration

Pursuant to the SPA Supplemental Agreement, the parties thereto agree that the Consideration shall remain the same as HK\$125,000,000.

SUPPLEMENTAL AGREEMENT TO THE SHAREHOLDERS’ AGREEMENT

The Board is pleased to further announce that, on 16 December 2015 (after trading hours), the parties to the Shareholders’ Agreement (i.e. the Vendor, the Purchaser and the Target Company) entered into the SHA Supplemental Agreement to amend and modify certain terms of the Shareholders’ Agreement as set out in this announcement, in light of the amendments pursuant to the SPA Supplemental Agreement.

Date: 16 December 2015 (after trading hours)

Parties:

- (1) The Vendor;
- (2) The Purchaser; and
- (3) The Target Company.

Major amendments and variations to the Shareholders' Agreement

1. The original business plan (together with the financial forecast) as attached to the Shareholders' Agreement shall be superseded and be replaced by a new business plan (together with the updated financial forecast) as attached to the SHA Supplemental Agreement.
2. The definition of "*Relevant Period*" (originally the period from 23 April 2015 to 22 April 2016) shall be superseded and amended as "*the period from 1 January 2016 to 31 December 2016*".
3. The termination clause of the Shareholders' Agreement shall be amended such that the Shareholders' Agreement shall terminate and cease to have effect (except with antecedent breaches) where: (A) the Target Company is wound up; (B) the operation of the Target Company is subject to a court order following the appointment of a liquidator, receiver or administrator; or (C) the Target Company has only one shareholder.

Save as specifically amended, varied or modified by the SHA Supplemental Agreement, all other terms of the Shareholders' Agreement remain in full force and effect.

NEW PROMISSORY NOTES

As set out above, the Promissory Notes will be cancelled and replaced by the New Promissory Notes which shall be issued by the Company after entering into the SPA Supplemental Agreement. The principal terms of the New Promissory Notes are as follows:

Issuer:	The Company
Principal amount:	HK\$92.0 million in aggregate
Issue date:	On the date of the SPA Supplemental Agreement
Interest rate:	Nil
Transferability:	The holder(s) of the New Promissory Notes may assign or transfer the New Promissory Notes to any person (other than a connected person (as defined in the Listing Rules) of the Company)
Repayment:	The principal amount of the New Promissory Notes (i.e. HK\$92.0 million) shall be repayable by the Company on 31 December 2016

THE PROPOSED ISSUE OF THE CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Pursuant to the SPA Supplemental Agreement, the Convertible Bonds will set off in full the entire principal amount of the New Promissory Notes upon CB Completion.

Under the terms and conditions of the Convertible Bonds, the Convertible Bonds will not be interest bearing. A total of not less than 418,181,818 Conversion Shares (based on the upper limit of the Conversion Price i.e. HK\$0.22 per Conversion Share (subject to adjustment)) but not more than 613,333,333 Conversion Shares (based on the lower limit of the Conversion Price, i.e. HK\$0.15 per Conversion Share (subject to adjustment)) will be allotted and issued upon full conversion of the Convertible Bonds. Based on the lower limit of the Conversion Price (i.e. HK\$0.15 per Conversion Share) and assuming that there will be no change in the issued share capital of the Company before the date of issue of the Conversion Shares and that there will not be any adjustment on the Conversion Price, the 613,333,333 Conversion Shares represent (i) approximately 17.31% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 14.75% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Conditions Precedent to CB Completion

The CB Completion shall be conditional upon fulfillment (or waiver) of the following matters:–

- (a) the passing by the Independent Shareholders (as required under the Listing Rules and/or the Takeovers Code) at the EGM all resolutions required under the relevant laws and regulations to effect, among others, the issue of the Convertible Bonds and the Conversion Shares under the SPA Supplemental Agreement;
- (b) the granting of approval by the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares which may only be subject to conditions as are customarily stipulated by the Stock Exchange for listing of shares, and such approval not having been revoked;
- (c) all necessary approvals and consents by the government and regulatory authorities (including but not limited to the Stock Exchange) in respect of the issue of the Convertible Bonds and the Conversion Shares under the SPA Supplemental Agreement having been obtained; and
- (d) the warranties given by the Company and the warranties given by the Vendor under the SPA Supplemental Agreement having remained true and accurate in all material respects.

The Vendor may at any time waive in writing Condition Precedent (d) (in respect of the warranties given by the Company) and the Company may at any time waive in writing Condition Precedent (d) (in respect of the warranties given by the Vendor). Save for the above, all other Conditions Precedent may not be waived.

If the Conditions Precedent have not been fulfilled or waived by the Vendor or the Company (as the case may be) in accordance with the SPA Supplemental Agreement at or before 12:00 noon on the Long Stop Date (or such later date as the parties thereto may agree in writing):

- (a) the Company shall no longer be under any obligation to issue the Convertible Bonds to the Vendor;

- (b) all rights and obligations under the SPA Supplemental Agreement in relation to the Convertible Bonds, CB Completion and costs for the issue of the Convertible Bonds and the Conversion Shares shall cease to have effect; and
- (c) the New Promissory Notes shall remain in full effect.

Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds are as follows:

Issuer:	The Company
Principal amount:	HK\$92.0 million
Issue date:	CB Completion Date
Interest:	The Convertible Bonds will bear no interest.
Maturity Date:	The date falling 18 months from the date of issue of the Convertible Bonds (the “ Maturity Date ”).

Subject as provided in the CB Conditions, the outstanding principal amount of the Convertible Bonds shall, unless previously converted for Conversion Shares, be automatically converted into Conversion Shares in accordance with the CB Conditions on the Maturity Date.

Mandatory conversion by the Company:	The Company has the right to exercise a mandatory conversion at any time during the Conversion Period by giving a notice to the Bondholder of not less than three (3) Business Days whereby the Conversion Rights in respect of the entire principal amount of the Bonds then outstanding shall be deemed to be automatically and duly exercised by the Bondholder.
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Redemption:	The Company may demand early redemption of the Convertible Bonds by giving a notice to the Bondholder of not less than three (3) Business Days.
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Status and denomination:	The obligations of the Company arising under the Convertible Bonds constitute direct, unconditional, unsecured, unsubordinated obligations of the Company, and rank pari passu among themselves and at least pari passu in right of payment with all other present and future unsecured obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.
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The Convertible Bonds are in registered, definitive form and in the denomination of HK\$2,000,000.

Conversion Price: The average of the closing price of the Shares for the five trading days immediately before the date of the conversion notice, provided that it shall not be lower than HK\$0.15 per Conversion Share and not be higher than HK\$0.22 per Conversion Share, such upper and lower limits being subject to adjustment.

Conversion Shares: A total of not less than 418,181,818 Conversion Shares (based on the upper limit of the Conversion Price, i.e. HK\$0.22 per Conversion Share (subject to adjustment)) but not more than 613,333,333 Conversion Shares (based on the lower limit of the Conversion Price, i.e. HK\$0.15 per Conversion Share (subject to adjustment)).

Based on the lower limit of the Conversion Price (i.e. HK\$0.15 per Conversion Share) and assuming that there will be no change in the issued share capital of the Company before the date of issue of the Conversion Shares and that there will not be any adjustment on the Conversion Price, the 613,333,333 Conversion Shares represent (i) approximately 17.31% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 14.75% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Transferability: The Convertible Bonds will be freely transferable and shall be transferable in whole or in multiples of HK\$2,000,000, provided that unless with the prior written consent of the Company and in full compliance of the Listing Rules and other requirements of the Stock Exchange, none of the Convertible Bonds may be transferred to a connected person of the Company.

Conversion Period: The period commencing on the date of issue of the Convertible Bonds and expiring on the Maturity Date (which must be a Stock Exchange Business Day and if not, the Stock Exchange Business Day immediately following) unless the Convertible Bonds are redeemed earlier than that (the “**Conversion Period**”).

Bondholder’s Conversion Right: The Bondholder has the right at any time during the Conversion Period to convert in whole or in part the outstanding principal amount of the Convertible Bonds in whole or in integral multiples of HK\$2,000,000 into Conversion Shares, subject to and upon compliance with the CB Conditions.

Conversion on the Maturity Date:	All the outstanding Convertible Bonds will be converted into Conversion Shares at the Conversion Price (subject to adjustment) prevailing on the Maturity Date, subject to and upon compliance with the CB Conditions (“ Maturity Date Conversion ”).
Takeovers Code and public float restriction:	In exercising the Conversion Rights attaching to the Convertible Bonds and converting the outstanding Convertible Bonds on the Maturity Date pursuant to the Maturity Date Conversion, the Bondholder and the Company shall not (i) trigger any mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holders of the Convertible Bonds which exercised the conversion rights, represents 30% or more (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code, whether or not a whitewash waiver can be obtained under Rule 26 of the Takeovers Code; or (ii) reduce the public float of the Shares to less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares.
Adjustments to Conversion Price:	The lower and upper limits of the Conversion Price is subject to adjustment only if and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision, reclassification or otherwise.
Events of Default:	<p>For so long as any Convertible Bonds remains outstanding, if any of the following events (“Events of Default”) occurs, the Majority Bondholders will be entitled to give a notice in writing to the Company that the Convertible Bonds held by all Bondholders are, and the Convertible Bonds shall thereby forthwith become, immediately due and payable at its principal amount then outstanding:</p> <ul style="list-style-type: none"> <li data-bbox="568 1523 1481 1683">(i) there is any failure by the Company to deliver any Shares following conversion of Convertible Bonds as and when the Shares are required to be delivered pursuant to the CB Conditions; or <li data-bbox="568 1736 1481 1896">(ii) it is or will become unlawful for the Company to perform or comply with any one or more of its covenants, conditions, provisions or obligations under any of the Convertible Bonds; or

- (iii) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or a material part of the assets or undertaking of the Company or any Major Subsidiary and is not discharged within 45 days of taking such possession or, as the case may be, appointment; or
- (iv) an order is made or an effective resolution passed for winding up or dissolution of the Company or any Major Subsidiary, or the Company or any Major Subsidiary ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation.

Voting rights: The Bondholder will not be entitled to vote at any meetings of the Company by reason only of it being the holder of the Convertible Bonds.

Listing: The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors and the Company, assuming that no other Shares will be issued, the following table is an illustrative summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Conversion Shares (based on the lower limit of the Conversion Price and assuming full conversion of the Convertible Bonds):

	As at the date of this announcement		Immediately after the allotment and issue of the Conversion Shares (based on the lower limit of the Conversion Price and assuming full conversion of the Convertible Bonds)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Delight Grace Limited (<i>Note 1</i>)	506,666,666	14.30	506,666,666	12.19
Legend Win Profits Limited (<i>Note 2</i>)	153,500,000	4.33	153,500,000	3.69
Mr. Yu Won Kong, Dennis	103,007,364	2.91	103,007,364	2.48
Ms. Ho Siu Lan, Sandy (<i>Note3</i>)	2,900,000	0.08	2,900,000	0.07
The Vendor	–	–	613,333,333	14.75
Other public Shareholders	<u>2,777,833,146</u>	<u>78.38</u>	<u>2,777,833,146</u>	<u>66.82</u>
Total	<u>3,543,907,176</u>	<u>100.00</u>	<u>4,157,240,509</u>	<u>100.00</u>

Notes:

1. Delight Grace Limited, a company incorporated in the 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 is beneficially owned by Mr. Hui Kee Fung, the chairman of the Board 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.

SPECIFIC MANDATE

The Company will seek the grant of the Specific Mandate from the Independent Shareholders to cater for the allotment and issue of the Conversion Shares upon full exercise of the conversion rights of the Convertible Bonds. The general mandate and the refreshed general mandate to allot and issue Shares granted at the annual general meeting of the Company held on 1 June 2015 and to be granted at the extraordinary general meeting of the Company to be held on 30 December 2015 by the then Shareholders, respectively, will not be utilized for the allotment and issue of the Conversion Shares.

LISTING RULES IMPLICATION

As the Vendor has a material interest in the SPA Supplemental Agreement and the proposed issue of the Convertible Bonds, the Vendor and its close associate(s) shall abstain from voting at the EGM to be convened to consider and, if thought fit, to approve, among other things, the grant of the Specific Mandate. As confirmed by the Vendor, as at the date of this announcement, the Vendor and its close associates do not hold any Shares.

GENERAL

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Specific Mandate for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds.

A circular containing, amongst other things, further details of the grant of the Specific Mandate together with a notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

The CB Completion is conditional upon satisfaction (or waiver where applicable) of certain Conditions Precedent under the SPA Supplemental Agreement and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement;
“Board”	the board of Directors;
“Bondholder(s)”	the holder(s) of the Convertible Bond(s);

“Business Day”	means a day on which banks in Hong Kong are open for business, other than (i) a Saturday, a Sunday or a public holiday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon;
“BVI”	British Virgin Islands;
“CB Completion”	completion of the issue of the Convertible Bonds pursuant to the SPA Supplemental Agreement;
“CB Completion Date”	the Business Day after fulfillment (or waiver where applicable) of all Conditions Precedent to be agreed in writing by the parties to the SPA Supplemental Agreement on which CB Completion shall take place;
“CB Conditions”	the terms and conditions of the Convertible Bonds, the details of which have been set out in the sub-section headed “Principal terms of the Convertible Bonds” in the section headed “The Proposed Issue of the Convertible Bonds under Specific Mandate” of this announcement;
“close associates”	has the meaning ascribed to this term under the Listing Rules;
“Company”	Kiu Hung International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange;
“Condition(s) Precedent”	the conditions precedent to CB Completion as set out in the SPA Supplemental Agreement;
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules;
“Consideration”	the consideration in the sum of HK\$125,000,000 paid by the Purchaser to the Vendor for the Acquisition;
“Consideration Shares”	the aggregate of 150,000,000 Shares issued to the Vendor by the Company as part of the Consideration pursuant to the Sale and Purchase Agreement;

“Conversion Price”	the price at which the Conversion Shares will be issued upon conversion and will be the average of the closing price of the Shares for the five trading days immediately before the date of the conversion notice, provided that it shall not be lower than HK\$0.15 per Conversion Share (i.e. the lower limit) and not be higher than HK\$0.22 per Conversion Share (i.e. the upper limit), such upper and lower limits being subject to adjustment;
“Conversion Rights”	the rights attached to the Convertible Bonds to convert the principal amount thereof into the Conversion Shares;
“Conversion Share(s)”	the Shares to be issued by the Company under the Convertible Bonds (whether upon exercise by the Bondholder of the Conversion Rights or otherwise pursuant to the CB Conditions);
“Convertible Bond(s)”	the zero coupon convertible bonds in the aggregate principal amount of HK\$92.0 million to be issued by the Company pursuant to the SPA Supplemental Agreement;
“Director(s)”	directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering, if thought fit, approving, among other things, the grant of the Specific Mandate;
“Extended Milestone Time Limit”	the Milestone Time Limit as extended to 3 December 2015 by the parties to the Sale and Purchase Agreement in writing;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Shareholders”	the Shareholders other than the Vendor and its close associate(s) who will be required to abstain from voting on the resolutions to approve, among other things, the grant of the Specific Mandate at the EGM;
“Initial Completion”	the completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement which took place on the Initial Completion Date;
“Initial Completion Date”	23 April 2015;
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	the date falling 6 months after the date of the SPA Supplemental Agreement (i.e. 16 June 2016);
“Major Subsidiary”	any subsidiary of the Company falling within the meaning of Rule 13.25(2) of the Listing Rules;
“Majority Bondholders”	one or more Bondholders in aggregate holding not less than 50% of the outstanding principal amount of the Convertible Bonds for the time being;
“Milestone(s)”	The milestone(s) set out in the Sale and Purchase Agreement and disclosed under the section headed “Milestones” of the announcement of the Company dated 3 February 2015;
“Milestone Time Limit”	six months from the date of the Sale and Purchase Agreement (being 3 August 2015) which was subsequently extended to 3 December 2015 by the parties thereto in writing;
“Ms. Wei”	Ms. Wei Xin Jie (魏欣捷), the ultimate sole beneficial owner of the Vendor;
“New Promissory Notes”	The new promissory notes in the aggregate principal amount of HK\$92.0 million issued by the Company to the Vendor on the date of the SPA Supplemental Agreement to replace the Promissory Notes, the principal terms of which have been set out in the section headed “New Promissory Notes” of this announcement;
“PN Consideration Shares”	the new Shares which may be issued by the Company in the event that the Company elects to settle the entire or part of the Promissory Notes by issuing new Shares;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan);
“Previous Announcements”	the announcements of the Company dated 3 February 2015, 12 February 2015, 6 March 2015, 1 April 2015, 16 April 2015 and 23 April 2015 in relation to the Acquisition and the Initial Completion and the announcements of the Company dated 4 August 2015, 28 August 2015 and 3 December 2015 in relation to the extension of the Milestone Time Limit;

“Promissory Notes”	the promissory notes in the aggregate principal amount of HK\$92.0 million issued by the Company to the Vendor on the Initial Completion Date as part of the Consideration pursuant to the Sale and Purchase Agreement;
“Purchaser”	Kiu Hung Leisure Holidays Company Limited (僑雄休閒假日有限公司), an indirect wholly-owned subsidiary of the Company and a limited liability company incorporated under the laws of the British Virgin Islands;
“Sale and Purchase Agreement”	the agreement dated 3 February 2015 entered into amongst the Company, the Purchaser, the Vendor and Ms. Wei relating to the Acquisition;
“Sale Shares”	10,000 shares of the Target Company sold to the Purchaser under the Sale and Purchase Agreement, representing 20% of the total issued share capital of the Target Company as at the Initial Completion Date;
“SHA Supplemental Agreement”	the supplemental agreement to the Shareholders’ Agreement dated 16 December 2015 entered into amongst the Vendor, the Purchaser and the Target Company;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Shareholders’ Agreement”	the shareholders’ agreement dated 23 April 2015 entered into amongst the Vendor, the Purchaser and the Target Company;
“SPA Supplemental Agreement”	the supplemental agreement to the Sale and Purchase Agreement dated 16 December 2015 entered into amongst the Vendor, the Purchaser, the Company and Ms. Wei;
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders for the allotment and issuance of the Conversion Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Stock Exchange Business Day”	a day on which Stock Exchange is open for business for trading of stocks;

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Target Company”	Eagle Praise Limited (鷹揚有限公司), a limited liability company incorporated under the laws of the British Virgin Islands;
“Vendor”	Unicorn Sino Limited (麒麟有限公司), a limited liability company incorporated under the laws of Samoa;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

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

Hong Kong, 16 December 2015

As at the date of this announcement, the Board comprises seven executive Directors, Mr. Hui Kee Fung, Mr. Sao Cheung Yung, Aaron, Mr. Yu Won Kong, Dennis, Mr. Long Tien Ian, Mr. Mtafi, Rachid Rene, Mr. Nojiri Makoto 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.