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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 and continued in Bermuda with limited liability)

(Stock Code: 00381)

COMPLETION OF PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Reference is made to the circular (the “**Circular**”) of Kiu Hung International Holdings Limited (the “**Company**”) dated 27 December 2023 in relation to the Placing. Unless the context otherwise requires, terms defined in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

The Board is pleased to announce that all the conditions precedent of the Placing Agreement have been fulfilled and Completion took place on 6 February 2024. Accordingly, the Convertible Bonds in the aggregate principal amount of HK\$45,000,000 have been successfully placed to not less than six (6) Placees on 6 February 2024. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Placees and their ultimate beneficial owners (where applicable) are Independent Third Parties, and none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) upon the issue of the Conversion Shares when the Conversion Rights are exercised.

The net proceeds from the Placing are approximately HK\$44,500,000 and will be applied as to (i) approximately HK\$30,000,000 for the construction of traditional Chinese medicinal herbs plantation base in Hubei; (ii) approximately HK\$10,000,000 for the setting up of a new TCM decoction pieces production lines; and (iii) the remaining of the net proceeds in the approximate amount of HK\$4,500,000 for general working capital of the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon full conversion of the Convertible Bonds (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the full conversion of the Convertible Bonds); and (iii) immediately upon full conversion of the Convertible Bonds and the Existing Convertible Bonds (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the full conversion of the Convertible Bonds and the Existing Convertible Bonds) is as follows:

Name of Shareholders	As at the date of this announcement		Immediately upon full conversion of the Convertible Bonds (for illustration purpose only) (Note 2)		Immediately upon full conversion of the Convertible Bonds and the Existing Convertible Bonds (for illustration purpose only) (Note 2)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Zhang Qijun (Note 1)	670	0.001	670	Negligible (Note 3)	670	Negligible (Note 3)
Mr. Liu Mingqing (Note 1)	92,000	0.095	92,000	0.037	92,000	0.037
Public Shareholders						
Placees (Note 6)	—	—	150,000,000	60.789	150,000,000	60.373
Sheen World International Holdings Limited (Note 4)	—	—	—	—	1,700,000	0.684
Other public Shareholders	<u>96,661,102</u>	<u>99.904</u>	<u>96,661,102</u>	<u>39.173</u>	<u>96,661,102</u>	<u>38.905</u>
Sub-total	<u>9,6661,102</u>	<u>99.904</u>	<u>246,661,102</u>	<u>99.962</u>	<u>248,361,102</u>	<u>99.962</u>
Total	<u><u>96,753,772</u></u>	<u><u>100.000</u></u>	<u><u>246,753,772</u></u>	<u><u>100.000</u></u>	<u><u>248,453,772</u></u>	<u><u>100.000</u></u>

Notes:

1. Being the executive Director.
2. This is for illustrative purpose only as there are restrictions under the terms of the Bond Instrument, pursuant to which restricting any conversion which will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code.
3. Shareholding of Mr. Zhang Qijun will be less than 0.001%.
4. Sheen World International Holdings Limited, a company incorporated in BVI with limited liability and is wholly-owned by Mr. Lin Wei. Each of Sheen World International Holdings Limited and Mr. Lin Wei is an Independent Third Party.

5. The percentages are subject to rounding difference, if any. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
6. None of the placees will become a substantial Shareholder upon the issue of the Conversion Shares when the Conversion Rights are exercised.

By order of the Board
Kiu Hung International Holdings Limited
Zhang Qijun
Chairman

Hong Kong, 6 February 2024

As at the date of this announcement, the Board comprises three executive Directors, Mr. Zhang Qijun, Mr. Liu Mingqing and Mr. Sun Weiwei and three independent non-executive Directors, Ms. Wei Yu, Mr. Wang Xiao Ning and Ms. Chen Yuxin.