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僑 雄 國 際 控 股 有 限 公 司

Kiu Hung International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 381)

**RESULTS OF THE OPEN OFFER
AND
ADJUSTMENTS TO THE OPTIONS**

The Directors announce that as at 4:00 p.m. on Monday, 14 August 2006, being the latest time for acceptance of and payment for the Offer Shares, four valid acceptances have been received for an aggregate of 84,140,000 Offer Shares, representing approximately 10.86% of the total number of the Offer Shares.

The Open Offer, which was underwritten on a fully underwritten basis, became unconditional at 4:00 p.m. on Thursday, 17 August 2006. Based on the results above, the Open Offer was undersubscribed by 690,697,000 Offer Shares. The Underwriters have placed an aggregate of 690,697,000 Offer Shares. Kingston and Luen Fat has placed 440,000,000 and 250,697,000 Offer Shares respectively, representing approximately 14.72% and 8.39% of the issued share capital of the Company immediately after the Open Offer has become unconditional, to the Placees. Each of the Placees and their respective ultimate beneficial owners are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules).

As the Open Offer became unconditional, the exercise price and the number of Shares to be issued upon exercise of the subscription rights attached to the Options have been adjusted pursuant to the Share Option Scheme and in accordance with the Listing Rules and the supplemental guidelines issued by the Stock Exchange. Details of the adjustments have been set out below.

The Company has appointed Nuada Limited, a third party independent of and not connected with the Company, as the financial advisor of the Company to review and certify the basis of the adjustments pursuant to the Share Option Scheme and in accordance with the Listing Rules and the supplemental guidelines issued by the Stock Exchange. The aggregate of 94,500,000 outstanding Options exercisable at HK\$0.13 each have been adjusted to 120,960,000 Options exercisable at HK\$0.1016 each.

Share certificates for the Offer Shares will be despatched by ordinary post to those Qualifying Shareholders who have validly applied and paid for the Offer Shares, at their own risks, on or before Tuesday, 22 August 2006. Dealings in the Offer Shares will commence on Thursday, 24 August 2006.

Reference is made to the announcement dated 6 July 2006 and the prospectus dated 31 July 2006 (the “Prospectus”) issued by Kiu Hung International Holdings Limited (the “Company”) in relation to the Open Offer. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus.

Pursuant to the Open Offer, the Qualifying Shareholders were entitled to apply for the Offer Shares with assured allotments at the price of HK\$0.05 each on the basis of seven Offer Shares for every twenty Shares held on the Record Date.

RESULTS OF THE OPEN OFFER

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All subscription monies for the Open Offer have been received by the Company as at the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors, the shareholding structure of the Company immediately before and after completion of the Open Offer is as follows:

	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	Shares	% (approx.)	Shares	% (approx.)
Legend Win Profits Limited (Note)	1,567,500,000	70.81	1,567,500,000	52.45
Underwriters:				
– Kingston	–	–	–	–
– Luen Fat	–	–	–	–
Public	646,320,000	29.19	1,421,157,000	47.55
Total	<u>2,213,820,000</u>	<u>100.00</u>	<u>2,988,657,000</u>	<u>100.00</u>

Note:

These Shares are held by Legend Win Profits Limited, a company incorporated in the British Virgin Islands. The issued share capital of Legend Win Profits Limited is beneficially owned by Hui Kee Fung, Hui Ki Yau, Hui Hung Tan, Teresa and Hui's K.K. Foundation Limited as to 38.95%, 32.63%, 23.16% 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. Hui Kee Fung, Hui Ki Yau and Hui Hung Tan, Teresa are the registered members and directors of Hui's K.K. Foundation Limited.

SHARE CERTIFICATES AND DEALINGS IN OFFER SHARES

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ADJUSTMENTS TO THE OPTIONS

The Company has appointed Nuada Limited, a third party independent of and not connected with the Company, as the financial advisor of the Company to review and certify the basis of the adjustments pursuant to the Share Option Scheme and in accordance with the Listing Rules and the supplemental guidelines issued by the Stock Exchange. As stated in the Prospectus, there were an aggregate of 94,500,000 outstanding Options eligible for exercise to subscribe for up to an aggregate of 94,500,000 Shares at a subscription price of HK\$0.13 per Share (subject to adjustment) on or after 1 January 2007. The exercise price and the number of Shares to be issued upon exercise of the subscription rights attached to the Options have been adjusted pursuant to the terms of the Share Option Scheme as a result of the Open Offer with effect from the date on which the Open Offer became unconditional. Such adjustments have been reviewed by Nuada Limited. Save as follows, there will be no alternations to the rights of the holders of the Options:

Original exercise price per Share and number of Shares subject to the Options

Exercisable at HK\$0.13 each and convertible into 94,500,000 Shares

New exercise price per Share and number of Shares subject to the Options

Exercisable at HK\$0.1016 each and convertible into 120,960,000 Shares

Holders of the Options should note that the exercise price and the number of Shares to be issued upon the exercise of the subscription rights attached to the Options have been adjusted pursuant to the Share Option Scheme and in accordance with the Listing Rules and the supplemental guidelines issued by the Stock Exchange.

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

Hong Kong, 18 August 2006

As at the date of this announcement, the Board comprises three executive Directors, Mr. Hui Kee Fung, Mr. Hui Ki Yau and Madam Hui Hung Tan, Teresa and three independent non-executive Directors, Mr. Peng Guanghui, Mr. Kung King Ching, Conrad and Mr. Tang Rongzu.

Please also refer to the published version of this announcement in China Daily.