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**Kiu Hung Energy Holdings Limited**  
**僑雄能源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 00381)

**ANNOUNCEMENT**  
**PRICE SENSITIVE INFORMATION**  
**AND**  
**PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules. The Board wishes to inform shareholders and potential investors of the Company that the Group is expected to make several material Prior Period Adjustments in the Interim Financial Statements.

Based on the information currently available, the Board wishes to inform the shareholders and potential investors of the Company that it is anticipated that the interim results of the Group for the six months ended 30 June 2010 may record a substantial increase in loss as compared to that for the six months ended 30 June 2009.

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

This announcement is made by Kiu Hung Energy Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

The board (“**Board**”) of directors of the Company (“**Directors**”) wishes to inform shareholders and potential investors of the Company that the Group is preparing its condensed consolidated interim financial statements for the six months ended 30 June 2010 (the “**Interim Financial Statements**”). Based on the preliminary findings in preparing the Interim Financial Statements, the Group is expected to make several material prior period adjustments (“**Prior Period Adjustments**”) in the Interim Financial Statements. The Prior Period Adjustments mainly include adjustment to be made in relation to the valuation of the convertible notes issued by the Company which were recorded as the “financial liabilities at fair value through profit or loss” in the balance sheet of the Company’s financial statements.

Based on the information currently available, the Board wishes to inform the shareholders and potential investors of the Company that it is anticipated that the interim results of the Group for the six months ended 30 June 2010 may record a substantial increase in loss as compared to that for the six months ended 30 June 2009.

The expected loss in the interim results of the Group for the six months ended 30 June 2010 was mainly attributable to the (i) decrease in turnover and significant decrease in gross profit margin of the toys and gift business; (ii) increase in share option expenses; and (iii) increase in fair value loss on the financial liabilities at fair value through profit or loss.

The information contained in this announcement is only based on the preliminary assessment of the management accounts of the Group and information currently available to Group. The announcement on the interim results of the Company for the six months ended 30 June 2010 is expected to be announced on 31 August 2010.

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

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

Hong Kong, 25 August 2010

*As at the date of this announcement, the Board comprises four executive directors, Mr. Hui Kee Fung, Mr. Yu Won Kong, Dennis, Mr. Guo Tianjue and Mr. Lam Kit Sun and three independent non-executive directors, Mr. Lam Siu Lun, Simon, Mr. Zhang Xianmin and Mr. Mohammed Ibrahim Munshi.*