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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)

PROPOSED SHARE CONSOLIDATION

The Board wishes to put forward to the Shareholders a proposal of Share Consolidation on the basis that every five (5) issued and unissued Shares of HK\$0.02 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.1 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

A circular containing, among other things, further details on the Share Consolidation together with a notice of EGM, will be despatched to the Shareholders as soon as practicable.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every five (5) issued and unissued Shares of HK\$0.02 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.1 each. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of the necessary ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM; and
- (ii) the Listing Division of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Effects of the Share Consolidation

As at the date of this announcement, the authorized share capital of the Company is HK\$200,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.02 each, of which 5,969,304,672 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that no further Shares will be allotted and issued or repurchased prior thereto, the authorized share capital of the Company will remain at HK\$200,000,000 but will be divided into 2,000,000,000 Consolidated Shares of par value of HK\$0.1 each, of which 1,193,860,934 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the articles of association of the Company.

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or result in any change in the rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

Listing Application

An application will be made by the Company to the Listing Division of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective. All necessary arrangements will be made for the Consolidated Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited. The Share Consolidation will be conducted in accordance with the provisions in the articles of association of the Company.

As at the date of this announcement, the Shares are traded on the Stock Exchange in board lot size of 10,000 Shares. Following the Share Consolidation, it is proposed that the Consolidated Shares will continue to be traded in board lots of 10,000 Consolidated Shares.

Based on the closing price of HK\$0.049 per Share (equivalent to HK\$0.245 per Consolidated Share) as at the last trading day immediately before the date of this announcement, the value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,450.

Reasons for the Share Consolidation

It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the Share Consolidation would enable the Company to comply with the trading requirements under the Listing Rules. Accordingly, the Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Odd Lot Arrangements

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Kingston Securities Limited to provide matching service, on a best effort basis, for the sale and purchase of odd lots of the Consolidated Shares arising from the Share Consolidation. Details of such arrangement will be set out in the circular in relation to, among other things, the Share Consolidation to be despatched to the Shareholders as soon as practicable.

Exchange of Share Certificates

Should the Share Consolidation become effective, Shareholders may, during the period from 8 February 2013 to 21 March 2013 (both days inclusive), submit existing certificates in green for the Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for exchange, at the expense of the Company, for new share certificates in red for Consolidated Shares. It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 business days after the submission of the existing share certificates to the share registrar of the Company for exchange. Thereafter, certificates for existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each certificate for the Consolidated Shares issued or each share certificate for the Shares submitted for cancellation, whichever the number of certificates involved is higher. Existing certificates for the Shares will cease to be good for delivery but will continue to be good evidence of legal title and may be exchanged for certificates for the Consolidated Shares at any time at the expense of the Shareholders.

EXPECTED TIMETABLE

The expected timetable of the proposed Share Consolidation is as follows:–

2013

Despatch date of circular with notice of the EGM on or before Tuesday, 22 January

Latest time for lodging forms of proxy for the EGM 10:30 a.m. on Tuesday, 5 February

Date and time of the EGM 10:30 a.m. on Thursday, 7 February

Announcement of voting results of the EGM Thursday, 7 February

Effective date of the Share Consolidation Friday, 8 February

Dealings in Consolidated Shares commence 9:00 a.m. on Friday, 8 February

Original counter for trading in the Shares in board lots of 10,000 Shares (in the form of existing share certificates in green) temporarily closes 9:00 a.m. on Friday, 8 February

Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates in green) opens 9:00 a.m. on Friday, 8 February

First day of free exchange of existing share certificates in green for new share certificates in red for the Consolidated Shares Friday, 8 February

Original counter for trading in the Consolidated Shares in new board lots of 10,000 Consolidated Shares (in the form of new share certificates in red) re-opens 9:00 a.m. on Wednesday, 27 February

Parallel trading in the Consolidated Shares (in form of new share certificates in red and existing share certificates in green) commences 9:00 a.m. on Wednesday, 27 February

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares 9:00 a.m. on Wednesday, 27 February

Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates in green) ends 4:00 p.m. on Tuesday, 19 March

Parallel trading in the Consolidated Shares (in form of new share certificates in red and existing share certificates in green) ends 4:00 p.m. on Tuesday, 19 March

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares 4:00 p.m. on Tuesday, 19 March

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares Thursday, 21 March

GENERAL

A circular containing, among other things, further details on the Share Consolidation together with a notice of EGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

“Board”	the board of Directors of the Company
“Company”	Kiu Hung Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened and held to consider and, if thought fit, approve among other things the Share Consolidation
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$ 0.02 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every five (5) Shares into one (1) Consolidated Share

“Shareholder(s)” holder(s) of the Share(s) or Consolidated Share(s), as the context requires

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By order of the Board
Kiu Hung Energy Holdings Limited
僑雄能源控股有限公司
Hui Kee Fung
Chairman

Hong Kong, 14 January 2013

As at the date of this announcement, the Board comprises three executive directors, Mr. Hui Kee Fung, Mr. Yu Won Kong, Dennis and Mr. Lam Kit Sun and three independent non-executive directors, Mr. Lam Siu Lun, Simon, Mr. Zhang Xianmin and Mr. Jin Peihuang.