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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Kiu Hung Energy Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) PROPOSED SHARE CONSOLIDATION;**  
**AND**  
**(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening an extraordinary general meeting of the Company to be held at Lily Room, 3rd Floor, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Thursday, 7 February 2013 at 10:30 a.m. is set out on pages 9 to 10 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed.

Whether or not you intend to attend and vote at the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy to Hong Kong branch share registrar of the Company, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

22 January 2013

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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 of the Company to be held to consider and, if thought fit, approve the Share Consolidation
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	17 January 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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) issued and unissued Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of the Share(s) or as the context may require, the Consolidated Share(s) from time to time
“Share Option Scheme”	the share option scheme adopted by the Company on 28 May 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## EXPECTED TIMETABLE

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Set out below is an expected timetable for the implementation of the Share Consolidation. The timetable is subject to the results of the EGM. The Company will notify the Shareholders of any significant changes to the expected timetable by way of announcement(s) as and when appropriate.

*2013*

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

First day of operation of odd lot trading facility . . . . . Wednesday, 27 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

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## EXPECTED TIMETABLE

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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 of operation of odd lot trading facility . . . . . Tuesday, 19 March

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

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Hui Kee Fung (*Chairman*)

Mr. Yu Won Kong, Dennis (*Chief Executive Officer*)

Mr. Lam Kit Sun

*Independent non-executive Directors:*

Mr. Lam Siu Lun, Simon

Mr. Zhang Xianmin

Mr. Jin Peihuang

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head office and principal places of  
business in Hong Kong:*

20th Floor

Hong Kong Diamond Exchange Building

8-10 Duddell Street

Central

Hong Kong

22 January 2013

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED SHARE CONSOLIDATION;**  
**AND**  
**(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 14 January 2013 in respect of the proposed Share Consolidation. The purpose of this circular is to provide you with details of the proposed Share Consolidation and to give you the notice of EGM to be convened.

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## LETTER FROM THE BOARD

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### PROPOSED SHARE CONSOLIDATION

The Board proposes that every five (5) 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 Latest Practicable Date, 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.

As at the Latest Practicable Date, 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\$0.046 per Share (equivalent to HK\$0.23 per Consolidated Share) as at the last trading day immediately before the Latest Practicable Date, the value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,300.

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## LETTER FROM THE BOARD

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### **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.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

### **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.

### **Possible Future Fund Raising Plan**

The Company considers that it is necessary to assess any future fund raising opportunities (including both equity and debt fund raising) with financial institution from time to time to fulfill the financial needs of the Group. The Directors view a healthy cash position is important for the future development of the businesses of the Group.

Up to the Latest Practicable Date, the Directors confirmed that no discussion on a concrete fund raising plan and timetable has been carried out with any financial institutions. The Company will take a prudent approach to raise sufficient cash for future development of the Group in the event that any fund raising opportunities arise.

### **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 from 27 February 2013 to 19 March 2013 (both days inclusive). Shareholders of odd lots of the Consolidated Shares may contact Ms.



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## LETTER FROM THE BOARD

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Rosita Kiu of Kingston Securities Limited at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong at telephone number (852) 2298 6215 during the aforesaid period. Shareholders should note that matching of the sale and purchase of odd lots of Consolidated Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. The Company will bear the costs relating to the matching of sale and purchase of odd lots of the Consolidated Shares.

### 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 26th Floor, 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.

### OUTSTANDING SHARE OPTIONS

As at the Latest Practicable Date, the Company has 218,078,600 outstanding options granted under the Share Option Scheme which entitle holders thereof to subscribe for 218,078,600 Shares.

As a result of the Share Consolidation, the following adjustments will be made to the exercise prices and the number of the outstanding share options in accordance with the rules of the Share Option Scheme and shall take effect from the effective date of the Share Consolidation, i.e. 8 February 2013.

Date of grant	Before adjustment		After adjustment	
	Number of outstanding share options	Exercise prices	Adjusted number of outstanding share options	Adjusted exercise prices
19 June 2006	45,778,600	HK\$0.1016	9,155,720	HK\$0.508
5 July 2007	3,300,000	HK\$0.74	660,000	HK\$3.7
29 March 2012	84,500,000	HK\$0.0644	16,900,000	HK\$0.322
29 March 2012	84,500,000	HK\$0.0773	16,900,000	HK\$0.3865

The Company will engage the Company's auditor or an independent financial adviser to review and certify the basis of such adjustments. Further announcement will be made by the Company in respect of such adjustment upon receipt of corresponding certificates on the adjustments by the Company.

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## LETTER FROM THE BOARD

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Save as aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

### EGM

A notice of EGM convening the EGM at which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the proposed Share Consolidation is set out on pages 9 to 10 of this circular.

To the best knowledge of the Directors, no Shareholders have a material interest in the Share Consolidation and accordingly, no Shareholders will have to abstain from voting at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy to Hong Kong branch share registrar of the Company, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolution at the EGM.

Yours faithfully  
For and on behalf of the Board of  
**Kiu Hung Energy Holdings Limited**  
**Hui Kee Fung**  
*Chairman*

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## NOTICE OF EGM

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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)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of Kiu Hung Energy Holdings Limited (the “**Company**”) will be held at Lily Room, 3rd Floor, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Thursday, 7 February 2013 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as a resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT** subject to and conditional upon, among others, the granting by the Listing Division of The Stock Exchange of Hong Kong Limited granting the approval for the listing of, and permission to deal in, the issued ordinary shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below (the “**Share Consolidation**”):

- (a) with effect from the day immediately following the date on which this resolution is passed, being a day on which shares are traded on the Stock Exchange, every five (5) ordinary shares of HK\$0.02 each in the share capital of the Company be consolidated into one (1) share of HK\$0.1 (each a “**Consolidated Share**”), such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company;
- (b) the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”

Yours faithfully

For and on behalf of the board of directors of  
**Kiu Hung Energy Holdings Limited**  
**Hui Kee Fung**  
*Chairman*

Hong Kong, 22 January 2013

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## NOTICE OF EGM

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*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

20th Floor  
Hong Kong Diamond Exchange Building  
8-10 Duddell Street  
Central  
Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies. to attend and, in the event of a poll, vote in his/her stead. A proxy needs not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at 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 together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. The voting on the resolution will be conducted by way of poll.