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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: 00381)

**CHANGE IN USE OF PROCEEDS OF THE OPEN OFFER;
CHANGE IN USE OF PROCEEDS OF THE SHARE OFFER
AND
PROPOSED CHANGE OF COMPANY NAME**

CHANGE IN USE OF PROCEEDS OF THE OPEN OFFER

The Board announces that it has resolved to change the application of the net proceeds of the Open Offer.

CHANGE IN USE OF PROCEEDS OF THE SHARE OFFER

The Board announces that it has resolved to change the application of the net proceeds of the Share Offer.

PROPOSED CHANGE OF COMPANY NAME

The Board further announces that it intends to put forward a proposal to the Shareholders to approve the change of name of the Company from “Kiu Hung International Holdings Limited” to “Kiu Hung Energy Holdings Limited”, and upon the change of name becoming effective, a new Chinese name “僑雄能源控股有限公司” will be adopted to replace “僑雄國際控股有限公司”.

The proposed change of name of the Company is subject to the conditions as set out in the paragraph headed “Conditions” below.

A circular containing, among other things, further particulars of the proposed change of name of the Company and a notice of EGM will be despatched to the Shareholders as soon as practicable.

CHANGE IN USE OF PROCEEDS OF THE OPEN OFFER

The board (the “**Board**”) of directors (the “**Directors**”) of Kiu Hung International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that the net proceeds of the open offer (the “**Open Offer**”) of the Company as set out in the announcement of the Company dated 6 July 2006 and the circular of the Company dated 31 July 2006 of approximately HK\$37 million was applied as follows:

- (i) as to approximately HK\$25 million for the diversified investments in the coal industry; and
- (ii) as to approximately HK\$10 million for the general working capital of the Group.

The above applications were in line with the original intended use of proceeds of the Open Offer.

The unapplied balance of the net proceeds of approximately HK\$2 million (the “**Open Offer Proceeds Balance**”) was previously intended to be used for the upstream and downstream integration in the principal line of business of the Group to enhance its profitability, including but not limited to the distribution of fabrics or chemical products or the production of packaging materials.

As the Board intends to focus the future principal business of the Group in coal mining and exploration, the Board has resolved to change the application of the Open Offer Proceeds Balance of approximately HK\$2 million to be used for the development and construction of the Group’s coal mining facilities.

The Board confirms that apart from the change in the use of proceeds of the Open Offer as stated above, there is no other change in relation to the Open Offer.

The Directors (including the independent non-executive Directors) consider that the change in the use of proceeds of the Open Offer is fair and reasonable and in the interests of the Company and the shareholders (the “**Shareholders**”) of the Company as a whole.

CHANGE IN USE OF PROCEEDS OF THE SHARE OFFER

The Board announces that it has resolved to change of use of the net proceeds (the “**Share Offer Proceeds**”) raised from the new issue and placing (the “**Share Offer**”) of the Company’s shares on 22 January 2001.

The Share Offer Proceeds as disclosed in the prospectus of the Company dated 9 January 2001 (the “**Prospectus**”) of approximately HK\$43 million was applied as follows:

- (i) as to approximately HK\$5 million was used for developing new models and new products;
- (ii) as to approximately HK\$5 million was used for the acquisitions of new machinery and auxiliary equipment to expand the production capacity of the Group;

- (iii) as to approximately HK\$10 million was used for establishing retail outlets and developing distribution channels in major cities in the People's Republic of China (the "PRC"); and
- (iv) as to approximately HK\$18 million was used as general working capital of the Group.

The above applications were in line with the original intended use of proceeds of the Share Offer.

The unapplied balance of the Share Offer Proceeds of approximately HK\$5 million (the "**Share Offer Proceeds Balance**") was previously intended to be used for the construction of two blocks of industrial buildings on the sites of the Group's production facilities situated in Hu Shi Town, Putian, Fujian, the PRC for the Group's toys and gifts business.

As the Board intends to focus the future principal business of the Group in coal mining and exploration, the Board has resolved to change the application of the Share Offer Proceeds Balance as to approximately HK\$5 million to be used for the development and construction of the Group's coal mining facilities.

The Directors (including the independent non-executive Directors) consider that the change in the use of proceeds of the Share Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PROPOSED CHANGE OF COMPANY NAME

The Proposal

The Board announces that it intends to put forward a proposal to the Shareholders to approve the change of name of the Company from "Kiu Hung International Holdings Limited" to "Kiu Hung Energy Holdings Limited", and upon the change of name becoming effective, a new Chinese name "僑雄能源控股有限公司" will be adopted to replace "僑雄國際控股有限公司".

Conditions

The proposed change of name is subject to the satisfaction of the following conditions:

1. the passing of a special resolution by the Shareholders approving the change of name of the Company at an extraordinary general meeting (the "**EGM**") of the Company; and
2. the Registrar of Companies in the Cayman Islands approving the change of name of the Company.

Reasons for the change of name

The proposed change of name of the Company is to reflect the changes in the principal activities of the Group after the acquisition of the entire equity interest in Lucky Dragon Resources Limited in March 2008. Lucky Dragon is principally engaged in coal mining and exploration in the Inner Mongolia Autonomous Region in the PRC. The proposed new name will reflect the current principal activities of the Group more accurately following the change in the Group's principal business from the manufacture and trading of toys and decorative gift products to coal mining and exploration.

The Board is therefore of the opinion that the proposed change of name of the Company is in the interests of the Company and the Shareholders as a whole.

Effects on change of name

The proposed change of name of the Company will not affect any of the rights of the Shareholder. Once the change of name becomes effective, share certificates of the Company will be issued in the new name of the Company. However, all existing share certificates in issue bearing the existing name of the Company will, after the change of name has become effective, continue to be effective as documents of title to and be valid for trading, settlement and registration purposes. There will not be any arrangement for the exchange of the existing share certificates of the Company for new share certificates bearing the new name of the Company.

Further announcement will be made by the Company to inform the Shareholders of the effective date of the change of name of the Company and the new stock short name of the Company.

General

A circular will be despatched by the Company to provide the Shareholders with further details of the proposed change of name of the Company and to set out the notice to convene the EGM to consider and, if thought fit, approve the change of name.

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

Hong Kong, 3 July 2008

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