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

(Formerly known as Kiu Hung International Holdings Limited 僑雄國際控股有限公司)
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 00381)

- (1) PLACING OF 32,000,000 EXISTING SHARES AND
TOP-UP SUBSCRIPTION OF NEW SHARES;**
 - (2) PLACING OF 38,000,000 EXISTING SHARES AND
TOP-UP SUBSCRIPTION OF NEW SHARES;**
 - (3) PLACING OF 37,000,000 NEW SHARES UNDER GENERAL MANDATE
ON FULLY UNDERWRITTEN BASIS;**
 - (4) PLACING OF 75,000,000 NEW SHARES UNDER GENERAL MANDATE
ON BEST EFFORT BASIS;**
- AND**
- (5) RESUMPTION OF TRADING**

PLACING AGENT



聯發證券有限公司
LUEN FAT SECURITIES CO. LTD.

THE FIRST AGREEMENT AND SECOND AGREEMENT

On 27 November 2008, the Company entered into the First Agreement and Second Agreement with the Subscriber and the Placing Agent pursuant to which the Placing Agent agreed to place, on a fully underwritten basis, (1) the First Placing Shares comprising up to 32,000,000 existing Shares at the Placing Price of HK\$0.27 per First Placing Share on behalf of the Subscriber to not less than six places (failing which, itself to subscribe for) and Subscriber will subscribe for the First Subscription Shares comprising up to 32,000,000 new Shares, being the same number of the First Placing Shares actually placed by the Placing Agent, at the Placing Price; and (2) the Second Placing Shares comprising up to 38,000,000 existing Shares (divided into two tranches, in which

each tranche shall not be less than 19,000,000 existing Shares) at the Placing Price of HK\$0.27 per Second Placing Share on behalf of the Subscriber to not less than six placees (failing which, itself to subscribe for) and Subscriber will subscribe for the Subscription Shares comprising up to 38,000,000 new Shares, being the same number of the Second Placing Shares actually placed by the Placing Agent, at the Placing Price.

The First Placing and Second Placing are unconditional. The First Subscription and the Second Subscription are conditional upon, among other things, (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares (as the case may be); and (ii) the completion of the First Placing and the Second Placing (as the case may be). An application will be made to the Listing Committee of the Stock Exchange for granting approval for the listing of, and permission to deal in, Subscription Shares. The Subscription Shares are to be issued under the General Mandate.

The Placing Price was arrived at after arm's length negotiations between the Company, the Subscriber and the Placing Agent. The Directors consider that the Placing Price, the terms of the First Agreement, the Second Agreement and the transactions contemplated thereunder (as the case may be) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Assuming full placing, the First Placing Shares represent approximately 0.80% of the existing issued share capital of the Company and the First Subscription Shares represent approximately 0.79% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares.

Assuming full placing, the net proceeds of the First Subscription, after deduction of the placing commission and other related expenses of approximately HK\$0.3 million, will be approximately HK\$8.3 million. The Directors intend to apply the net proceeds as general working capital for the Group's coal energy business.

Assuming full placing, the Second Placing Shares represent approximately 0.95% of the existing issued share capital of the Company; the Second Subscription Shares represent (i) approximately 0.94% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares and (ii) approximately 0.93% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares and the Second Subscription Shares.

Assuming full placing, the net proceeds of the Second Subscription, after deduction of the placing commission and other related expenses of approximately HK\$0.4 million, will be approximately HK\$9.9 million. The Directors intend to apply the net proceeds as general working capital for the Group's coal energy business.

THE THIRD AGREEMENT

On 27 November 2008, the Company entered into the Third Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a fully underwritten basis to six placees (failing which, itself to subscribe for), a maximum of 37,000,000 new Shares to be placed by a maximum of two tranches (in which each tranche shall not be less than 18,500,000 new Shares).

The Third Placing Shares will be issued under the General Mandate and the Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Third Placing Shares.

THE FOURTH AGREEMENT

On 27 November 2008, the Company entered into the Fourth Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis to six placees, a maximum of 75,000,000 new Shares to be placed by a maximum of two tranches (in which each tranche shall not be less than 37,500,000 new Shares).

The Fourth Placing Shares will be issued under the General Mandate and the Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Fourth Placing Shares.

The net proceeds of the Placings will be approximately HK\$47.3 million. The Directors intend to apply the net proceeds as general working capital for the Group's coal energy business.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:38 a.m. on 28 November 2008 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 1 December 2008.

THE FIRST AGREEMENT

Date: 27 November 2008

Parties: (1) the Subscriber;
(2) the Company; and
(3) the Placing Agent

Pursuant to the First Agreement, the Placing Agent agreed to place, on a fully underwritten basis, the First Placing Shares comprising up to 32,000,000 existing Shares at the Placing Price of HK\$0.27 per Placing Share on behalf of the Subscriber to not less than six placees (failing which, itself to subscribe for) and the Subscriber will subscribe for the Subscription Shares comprising up to 32,000,000 new Shares, being the same number of the First Placing Shares actually placed by the Placing Agent, at the Placing Price.

A. THE FIRST PLACING

The Subscriber

The Subscriber is a controlling Shareholder (as defined under the Listing Rules) and is the beneficial owner of 1,567,500,000 Shares of approximately 39.10% of the existing issued share capital of the Company and the issued shares of which is owned as to 38.95%, 32.63%, 23.16% and 5.26% by Hui Kee Fung, Hui Ki Yau, Hui Hung Tan, Teresa (all of them are executive Directors) and Hui's K.K. Foundation Limited respectively. As such, the Subscriber is also a connected person.

The Placing Agent

The Placing Agent has been appointed to place, on a fully underwritten basis, the First Placing Shares. The Placing Agent is a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Each of the Placing Agent and its ultimate beneficial owner is third party independent of the Company and its connected persons.

The Placees

The First Placing Shares shall be placed to the placees, who and whose ultimate beneficial owners shall be Independent Third Parties. The placees and their ultimate beneficial owners shall also be third parties independent of the Subscriber and its connected persons. It is not expected that any individual placee will become a substantial Shareholder immediately after completion of the First Placing. If any of the placees will become a substantial Shareholder after the completion of the First Placing, further announcement will be made by the Company.

Number of First Placing Shares

The number of First Placing Shares shall be up to 32,000,000 existing Shares. The First Placing Shares represent approximately 0.80% of the existing issued share capital of the Company and approximately 0.79% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares.

Placing Price

The Placing Price of HK\$0.27 per First Placing Share represents:

- (i) a premium of approximately 12.5% over the closing price of HK\$0.24 per Share as quoted on the Stock Exchange on 27 November 2008, being the day the First Agreement is signed;
- (ii) a premium of approximately 12.6% over the average of the closing prices of approximately HK\$0.2398 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the First Agreement up to and including 27 November 2008, being the last trading day for the Shares prior to this announcement;
- (iii) a premium of approximately 11.2% over the average of the closing prices of approximately HK\$0.2429 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the First Agreement up to and including 27 November 2008, being the last trading day for the Shares prior to this announcement.

The gross proceeds of the First Placing will be approximately HK\$8.6 million. After deduction of the placing commission and other related expenses of approximately HK\$0.3 million, the net proceeds will be approximately HK\$8.3 million and the net placing price is approximately HK\$0.26 per First Placing Share.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading volume of the Shares as shown above. The Directors consider that the Placing Price and the terms of the First Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Placing commission payable to the Placing Agent

The placing commission for the First Agreement is calculated as 2.5% of the amount equal to the Placing Price multiplied by the number of the First Placing Shares actually sold by the Placing Agent under the First Placing. The placing commission for the First Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing commission charged by other placing agents. The Directors consider that the placing commission is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Rights

The First Placing Shares will be sold free from all liens, charges and encumbrances and together with the rights attaching to them, including the right to receive all dividends declared, made or paid after the date of the First Agreement.

Conditions of the First Placing

The First Placing is unconditional.

Completion

Completion of the First Placing is expected to take place on or before 4 December 2008. The Placing Price for the First Placing equivalent to HK\$8,640,000 in Hong Kong dollars to be paid by the Placing Agent to the Subscriber which, as directed by the Subscriber shall be pay to the Company directly on or before 4 December 2008. Such payments shall serve as the refundable deposit of the First Subscription, less the amounts of placing commission and other related expenses.

B. THE FIRST SUBSCRIPTION

The Issuer

The Company

The Subscriber

The Subscriber, which, as at the date of this announcement, is interested in 1,567,500,000 Shares, representing approximately 39.10% of the existing issued share capital of the Company and the issued shares of which is owned as to 38.95%, 32.63%, 23.16% and 5.26% by Hui Kee Fung, Hui Ki Yau, Hui Hung Tan, Teresa (all of them are executive Directors) and Hui's K.K. Foundation Limited respectively. As such, the Subscriber is also a connected person.

Number of First Subscription Shares

Immediately after completion of the First Placing and assuming full placing, the shareholding of the Subscriber will be reduced to 1,535,500,000 Shares, representing approximately 38.30% of the existing issued share capital of the Company before completion of the First Subscription. The First Subscription will then increase the shareholding of Subscriber to 1,567,500,000 Shares, representing approximately 38.79% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares.

Subscription Price

The subscription price is HK\$0.27 per First Subscription Share, which is equivalent to the Placing Price. In line with the market practice, the Company will bear all costs and expenses of the First Subscription and will reimburse the Subscriber all costs and expenses incurred by Subscriber in respect of the First Placing because it is the fund raising conducted by the Company. Based on the estimated expenses for the First Placing and the First Subscription, the net subscription price is approximately HK\$0.26 per Share.

The aggregate nominal value of the First Subscription Shares is HK\$640,000.

Rights

The First Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the First Subscription Shares.

Mandate to issue the First Subscription Shares

The First Subscription Shares are to be issued under the General Mandate. Under the said general mandate, up to 801,683,960 Shares may be issued by the Company. As at the date of this announcement, none of such general mandate granted to the Directors has been utilized. There shall be sufficient general mandate for the present purpose.

Conditions of the First Subscription

The First Subscription is conditional upon the following conditions having been fulfilled by 9 December 2008 (or such other date as may be agreed between the Company and the Subscriber):

1. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in the First Subscription Shares;
2. completion of the First Placing in accordance with the terms of the First Agreement; and
3. all other necessary consents and approvals as may be required in respect of the First Subscription and the transactions contemplated hereunder relating to the First Subscription having been obtained.

In the event that the conditions of the First Subscription are not fulfilled in full by the date stipulated, neither the Company nor the Subscriber shall have any obligations and liabilities under the First Subscription, the Company shall within five days refund the deposit as referred above to the Subscriber without interests, and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

As confirmed by Subscriber that it has continuously been holding more than 39.1% of the voting rights of the Company for at least 12 months immediately preceding the present top-up placing and subscription transaction, no waiver application to the SFC by the Subscriber is required.

Completion of the First Subscription

Completion of the First Subscription will take place on the Business Day following the fulfillment of all the conditions of the First Subscription. The First Subscription must be completed on or before 11 December 2008, being 14 days from the date of the First Agreement. If the First Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval of the independent Shareholders.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the First Subscription Shares.

THE SECOND AGREEMENT

Date: 27 November 2008

Parties: (1) the Subscriber;
(2) the Company; and
(3) the Placing Agent

Pursuant to the Second Agreement, the Placing Agent agreed to place, on a fully underwritten basis, the Second Placing Shares comprising up to 38,000,000 existing Shares (divided into two tranches, in which each tranche shall not be less than 19,000,000 existing Shares) at the Placing Price of HK\$0.27 per Placing Share on behalf of the Subscriber to not less than six placees (failing which, itself to subscribe for) and the Subscriber will subscribe for the Subscription Shares comprising up to 38,000,000 new Shares, being the same number of the Second Placing Shares actually placed by the Placing Agent, at the Placing Price.

A. THE PLACING

The Subscriber

The Subscriber is a controlling Shareholder (as defined under the Listing Rules) and is the beneficial owner of 1,567,500,000 Shares of approximately 39.10% of the existing issued share capital of the Company and the issued shares of which is owned as to 38.95%, 32.63%, 23.16% and 5.26% by Hui Kee Fung, Hui Ki Yau, Hui Hung Tan, Teresa (all of them are executive Directors) and Hui's K.K. Foundation Limited respectively. As such, the Subscriber is also a connected person.

The Placing Agent

The Placing Agent has been appointed to place, on a fully underwritten basis, the Placing Shares. The Placing Agent is a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Each of the Placing Agent and its ultimate beneficial owner is third party independent of the Company and its connected persons.

The Placees

The Second Placing Shares shall be placed to the placees, who and whose ultimate beneficial owners shall be Independent Third Parties. The placees and their ultimate beneficial owners shall also be third parties independent of the Subscriber and its connected persons. It is not expected that any individual placee will become a substantial Shareholder immediately after completion of the Second Placing. If any of the placees will become a substantial Shareholder after the completion of the Second Placing, further announcement will be made by the Company.

Number of Second Placing Shares

The number of Second Placing Shares shall be up to 38,000,000 Shares (divided into two tranches, in which each tranche shall not be less than 19,000,000 new Shares). The Second Placing Shares represent (i) approximately 0.94% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares and (ii) approximately 0.93% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares and the Second Subscription Shares.

Placing Price

The Placing Price of HK\$0.27 per Second Placing Share represents:

- (i) a premium of approximately 12.5% over the closing price of HK\$0.24 per Share as quoted on the Stock Exchange on 27 November 2008, being the day the Second Agreement is signed;
- (ii) a premium of approximately 12.6% over the average of the closing prices of approximately HK\$0.2398 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Second Agreement up to and including 27 November 2008, being the last trading day for the Shares prior to this announcement;
- (iii) a premium of approximately 11.2% over the average of the closing prices of approximately HK\$0.2429 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Second Agreement up to and including 27 November 2008, being the last trading day for the Shares prior to this announcement.

The gross proceeds of the Second Placing will be approximately HK\$10.3 million. After deduction of the placing commission and other related expenses of approximately HK\$0.4 million, the net proceeds will be approximately HK\$9.9 million and the net placing price is approximately HK\$0.26 per Second Placing Share.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading volume of the Shares as shown above. The Directors consider that the Placing Price and the terms of the Second Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Placing commission payable to the Placing Agent

The placing commission for the Second Agreement is calculated as 2.5% of the amount equal to the Placing Price multiplied by the number of the Second Placing Shares actually sold by the Placing Agent under the Second Placing. The placing commission for the Second Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing commission charged by other placing agents. The Directors consider that the placing commission is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Rights

The Second Placing Shares will be sold free from all liens, charges and encumbrances and together with the rights attaching to them, including the right to receive all dividends declared, made or paid after the date of the Second Agreement.

Conditions of the Second Placing

The Second Placing is unconditional.

Completion

Completion of the Second Placing is expected to take place on or before 10 December 2008. The Placing Price for the Second Placing equivalent to HK\$10,260,000 in Hong Kong dollars to be paid by the Placing Agent to the Subscriber which as directed by the Subscriber, shall be pay to the Company directly on or before 10 December 2008. Such payments shall serve as the refundable deposit of the Second Subscription, less the amounts of placing commission and other related expenses.

B. THE SECOND SUBSCRIPTION

The Issuer

The Company

The Subscriber

The Subscriber, which, as at the date of this announcement, is interested in 1,567,500,000 Shares, representing approximately 39.10% of the existing issued share capital of the Company and the issued shares of which is owned as to 38.95%, 32.63%, 23.16% and 5.26% by Hui Kee Fung, Hui Ki Yau, Hui Hung Tan, Teresa (all of them are executive Directors) and Hui's K.K. Foundation Limited respectively. As such, the Subscriber is also a connected person.

Number of Second Subscription Shares

Immediately after completion of the First Placing and Second Placing and assuming full placing, the shareholding of the Subscriber will be reduced to 1,497,500,000 Shares, representing approximately 37.36% of the existing issued share capital of the Company before completion of the First Subscription and Second Subscription. The completion of the First Subscription and Second Subscription will then increase the shareholding of Subscriber to 1,567,500,000 Shares, representing approximately 38.43% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The subscription price is HK\$0.27 per Second Subscription Share, which is equivalent to the Placing Price. In line with the market practice, the Company will bear all costs and expenses of the Second Subscription and will reimburse the Subscriber all costs and expenses incurred by Subscriber in respect of the Second Placing because it is the fund raising conducted by the Company. Based on the estimated expenses for the Second Placing and the Second Subscription, the net subscription price is approximately HK\$0.26 per Share.

The aggregate nominal value of the Second Subscription Shares is HK\$760,000.

Rights

The Second Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Second Subscription Shares.

Mandate to issue the Second Subscription Shares

The Second Subscription Shares are to be issued under the General Mandate. Under the said general mandate, up to 801,683,960 Shares may be issued by the Company. As at the date of this announcement, none of such general mandate granted to the Directors has been utilized. There shall be sufficient general mandate for the present purpose.

Conditions of the Second Subscription

The Second Subscription is conditional upon the following conditions having been fulfilled by 9 December 2008 (or such other date as may be agreed between the Company and the Subscriber):

1. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in the Second Subscription Shares;
2. completion of the Second Placing in accordance with the terms of the Second Agreement; and
3. all other necessary consents and approvals as may be required in respect of the Second Subscription and the transactions contemplated hereunder relating to the Second Subscription having been obtained.

In the event that the conditions of the Second Subscription are not fulfilled in full by the date stipulated, neither the Company nor the Subscriber shall have any obligations and liabilities under the Second Subscription, the Company shall within five days refund the deposit as referred above to the Subscriber without interests, and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

As confirmed by Subscriber that it has continuously been holding more than 39.1% of the voting rights of the Company for at least 12 months immediately preceding the present top-up placing and subscription transaction, no waiver application to the SFC by the Subscriber is required.

Completion of the Second Subscription

Completion of the Second Subscription will take place on the Business Day following the fulfillment of all the conditions of the Second Subscription. The Second Subscription must be completed on or before 11 December 2008, being 14 days from the date of the Second Agreement. If the Second Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval of the independent Shareholders.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Second Subscription Shares.

THE THIRD AGREEMENT

Date: 27 November 2008

Parties: (1) the Company; and

(2) the Placing Agent

The Placing Agent

The Placing Agent has been appointed to place, on a fully underwritten basis, the Third Placing Shares. The Placing Agent is a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Each of the Placing Agent and its ultimate beneficial owner is third party independent of the Company and its connected persons.

The Placees

The Third Placing Shares will be placed to not less than six placees which will be who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Third Placing, it is expected that none of the placees will become a substantial Shareholder. If any of the placees will become a substantial Shareholder after the completion of the Third Placing, further announcement will be made by the Company.

Number of Third Placing Shares

The number of Third Placing Shares shall be a maximum of 37,000,000 new Shares to be placed by a maximum of two tranches (in which each tranche shall not be less than 18,500,000 new Shares).

The Third Placing Shares represent (i) approximately 0.92% of the existing issued share capital of the Company; (ii) approximately 0.91% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; (iii) approximately 0.90% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Third Placing Shares; and (iv) approximately 0.88% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares.

Placing Price

The Placing Price of HK\$0.27 per Third Placing Share represents:

- (i) a premium of approximately 12.5% over the closing price of HK\$0.24 per Share as quoted on the Stock Exchange on 27 November 2008, being the day the Third Agreement is signed;
- (ii) a premium of approximately 12.6% over the average of the closing prices of approximately HK\$0.2398 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Third Agreement up to and including 27 November 2008, being the last trading day for the Shares prior to this announcement;
- (iii) a premium of approximately 11.2% over the average of the closing prices of approximately HK\$0.2429 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Third Agreement up to and including 27 November 2008, being the last trading day for the Shares prior to this announcement.

The aggregate nominal value of the Third Placing Shares is HK\$740,000.

The gross proceeds of the Third Placing will be approximately HK\$10 million. After deduction of the placing commission and other related expenses of approximately HK\$0.4 million, the net proceeds will be approximately HK\$9.6 million and the net placing price is approximately HK\$0.26 per Third Placing Share.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading volume of the Shares. The Directors consider that the Placing Price and the terms of the Third Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Placing commission payable to the Placing Agent

The placing commission is calculated as 2.5% of the amount equal to the Placing Price multiplied by the number of the Third Placing Shares actually sold by the Placing Agent under the Third Placing. The placing commission is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing commission charged by other placing agents. The Directors consider that the placing commission is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conditions of the Third Placing

The Third Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Third Placing Shares. If the above condition is not fulfilled by 9 December 2008 (or such other date as may be agreed by the parties hereto), the Third Placing Agreement will be terminated forthwith and cease to have any effect.

Completion

The Third Placing shall complete on the fourth Business Day after the satisfaction of the condition set out above (or such later date as may be agreed by the parties hereto).

Termination

- (A) The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Third Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Third Completion Date if any of the force majeure event as stated in the Third Placing Agreement occurred.
- (B) The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Third Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Third Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Third Agreement and such breach is considered by the Company on reasonable grounds to be material.
- (C) Upon termination of the Third Agreement pursuant to (A) and (B) above, all liabilities of the parties under the Third Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Third Agreement save in respect of any antecedent breach of any obligation under the Third Agreement.

Mandate to issue the Third Placing Shares

The Third Placing Shares are to be issued under the General Mandate. Under the said general mandate, up to 801,683,960 Shares may be issued by the Company. As at the date of this announcement, none of such general mandate granted to the Directors has been utilized. There shall be sufficient general mandate for the present purpose.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Third Placing Shares.

THE FOURTH AGREEMENT

Date: 27 November 2008

Parties: (1) the Company; and
(2) the Placing Agent

The Placing Agent

The Placing Agent has been appointed to place, on a fully underwritten basis, the Fourth Placing Shares. The Placing Agent is a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Each of the Placing Agent and its ultimate beneficial owner is third party independent of the Company and its connected persons.

The Placees

The Fourth Placing Shares will be placed to not less than six placees which will be who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Fourth Placing, it is expected that none of the placees will become a substantial Shareholder. If any of the placees will become a substantial Shareholder after the completion of the Fourth Placing, further announcement will be made by the Company.

Number of Fourth Placing Shares

The number of Fourth Placing Shares shall be a maximum of 75,000,000 new Shares to be placed by a maximum of two tranches (in which each tranche shall not be less than 37,500,000 new Shares).

The Fourth Placing Shares represent (i) approximately 1.87% of the existing issued share capital of the Company; (ii) approximately 1.84% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; (iii) approximately 1.82% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Third Placing Shares; and (iv) approximately 1.79% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares.

Placing Price

The Placing Price of HK\$0.27 per Fourth Placing Share represents:

- (i) a premium of approximately 12.5% over the closing price of HK\$0.24 per Share as quoted on the Stock Exchange on 27 November 2008, being the day the Fourth Agreement is signed;
- (ii) a premium of approximately 12.6% over the average of the closing prices of approximately HK\$0.2398 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Fourth Agreement up to and including 27 November 2008, being the last trading day for the Shares prior to this announcement;
- (iii) a premium of approximately 11.2% over the average of the closing prices of approximately HK\$0.2429 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Fourth Agreement up to and including 27 November 2008, being the last trading day for the Shares prior to this announcement.

The aggregate nominal value of the Fourth Placing Shares is HK\$1,500,000.

The gross proceeds of the Fourth Placing will be approximately HK\$20.3 million. After deduction of the placing commission and other related expenses of approximately HK\$0.8 million, the net proceeds will be approximately HK\$19.5 million and the net placing price is approximately HK\$0.26 per Fourth Placing Share.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading volume of the Shares. The Directors consider that the Placing Price and the terms of the Fourth Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Placing commission payable to the Placing Agent

The placing commission is calculated as 2.5% of the amount equal to the Placing Price multiplied by the number of the Fourth Placing Shares actually sold by the Placing Agent under the Fourth Placing. The placing commission is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing commission charged by other placing agents. The Directors consider that the placing commission is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conditions of the Fourth Placing

The Fourth Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Fourth Placing Shares. If the above condition is not fulfilled by 25 March 2009 (or such other date as may be agreed by the parties hereto), the Fourth Placing Agreement will be terminated forthwith and cease to have any effect.

Completion

The Fourth Placing shall complete on the fourth Business Day after the satisfaction of the condition set out above (or such later date as may be agreed by the parties hereto).

Termination

- (A) The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Fourth Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Fourth Completion Date if any of the force majeure event as stated in the Fourth Placing Agreement occurred.
- (B) The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Fourth Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Fourth Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Fourth Agreement and such breach is considered by the Company on reasonable grounds to be material.

(C) Upon termination of the Fourth Agreement pursuant to (A) and (B) above, all liabilities of the parties under the Fourth Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Fourth Agreement save in respect of any antecedent breach of any obligation under the Fourth Agreement.

Mandate to issue the Fourth Placing Shares

The Fourth Placing Shares are to be issued under the General Mandate. Under the said general mandate, up to 801,683,960 Shares may be issued by the Company. As at the date of this announcement, none of such general mandate granted to the Directors has been utilized. There shall be sufficient general mandate for the present purpose.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Fourth Placing Shares.

CHANGES OF SHAREHOLDING STRUCTURE

The changes of the shareholding of the Company as a result of the First Placing, Second Placing and Subscriptions (before completion of the Third Placing and Fourth Placing) are as follows:

Shareholder	Notes	At the date of this announcement		Shareholding immediately after completion of First Placing but before completion of Second Placing, Subscriptions, Third Placing and Fourth Placing		Shareholding immediately after completion of First Placing and Second Placing but before completion of Subscriptions, Third Placing and Fourth Placing	
		No. of shares	%	No. of shares	%	No. of shares	%
Subscriber	<i>1</i>	1,567,500,000	39.10	1,535,500,000	38.30	1,497,500,000	37.36
Public shareholders							
The places		–	–	32,000,000	0.80	70,000,000	1.74
Other public Shareholders (including other substantial Shareholders)		<u>2,441,259,800</u>	<u>60.9</u>	<u>2,441,259,800</u>	<u>60.9</u>	<u>2,441,259,800</u>	<u>60.9</u>
Total		<u><u>4,008,759,800</u></u>	<u><u>100.00</u></u>	<u><u>4,008,759,800</u></u>	<u><u>100.00</u></u>	<u><u>4,008,759,800</u></u>	<u><u>100.00</u></u>

The changes of the shareholding of the Company as a result of the First Placing, Second Placing and Subscriptions, Third Placing and Fourth Placing are as follows:

Shareholder	Notes	Shareholding immediately after completion of First Placing, Second Placing and Subscriptions but before completion of Third Placing and Fourth Placing		Shareholding immediately after completion of First Placing, Second Placing and Subscriptions and Third Placing but before the completion of Fourth Placing		Shareholding immediately after completion of the Placings and the Subscriptions	
		No. of shares	%	No. of shares	%	No. of shares	%
Subscriber	1	1,567,500,000	38.43	1,567,500,000	38.09	1,567,500,000	37.40
<i>Public shareholders</i>							
The places		70,000,000	1.72	107,000,000	2.60	182,000,000	4.35
Other public Shareholders (including other substantial Shareholders)		<u>2,441,259,800</u>	<u>59.85</u>	<u>2,441,259,800</u>	<u>59.31</u>	<u>2,441,259,800</u>	<u>58.25</u>
Total		<u>4,078,759,800</u>	<u>100.00</u>	<u>4,115,759,800</u>	<u>100.00</u>	<u>4,190,759,800</u>	<u>100.00</u>

Notes:

- The Shares are held by Legend Win Profits Limited (“Legend Win”), a company incorporated in the British Virgin Islands. The issued share capital of Legend Win is beneficially owned by Hui Kee Fung, Hui Ki Yau, Hui Hung Tan, Teresa (all of them are executive Directors) 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.

The Company will make further announcement on the result of the Placings as required under the Listing Rules.

REASONS FOR THE PLACINGS AND THE SUBSCRIPTIONS

The Group is principally engaged in (i) the mining and exploration of coal and (ii) the design, manufacture and sale of toys and gifts products.

The gross proceeds of the Placings will be HK\$49.14 million and the net proceeds of the Placings, after deduction of the placing commission and other related expenses, of approximately HK\$1.8 million will be approximately HK\$47.3 million. The Directors intend to apply the net proceeds as general working capital for the Group's coal energy business.

For the reasons stated above, the Board considers that it is beneficial to the Company and the Shareholders as a whole to raise capital for the future business development of the Group by way of the Placings and the Subscriptions as it will broaden the capital and shareholder base of the Company thereby increasing the liquidity of the Shares.

The Directors consider that the First Agreement and Second Agreement are entered into upon normal commercial terms following arm's length negotiations between the Company, Subscriber and the Placing Agent and that the terms of the First Agreement and Second Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Directors consider that the Third Agreement and Fourth Agreement are entered into upon normal commercial terms following arm's length negotiations between the Company, and the Placing Agent and that the terms of the Third Agreement and Fourth Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY IN PAST 12 MONTHS

There had not been other equity fund raising activity conducted by the Group in the past 12 months immediately preceding the date of this announcement:

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:38 a.m. on 28 November 2008 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 1 December 2008.

DEFINITIONS

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

“Agreements”	together, the First Agreement, Second Agreement, Third Agreement and Fourth Agreement
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“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
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors (including the non-executive and independent non-executive directors) of the Company
“First Agreement”	the placing and subscription agreement dated 27 November 2008 and entered into between Subscriber, the Company and the Placing Agent in respect of the First Placing and the First Subscription
“First Placing”	the placing of the First Placing Shares by the Placing Agent on behalf of Subscriber pursuant to the First Agreement
“First Placing Shares”	up to 32,000,000 Shares which are beneficially owned by Subscriber and will be placed by the Placing Agent on its behalf on a fully underwritten basis pursuant to the First Agreement
“First Subscriptions”	the subscription for the First Subscription Shares by Subscriber pursuant to the First Agreement
“First Subscription Shares”	up to 32,000,000 new Shares for which Subscriber has conditionally agreed to subscribe pursuant to the First Agreement

“Fourth Agreement”	the placing agreement dated 27 November 2008 and entered into between the Company and the Placing Agent in respect of the Fourth Placing
“Fourth Placing”	the placing of the Fourth Placing Shares by the Placing Agent pursuant to the terms of the Fourth Agreement
“Fourth Placing Shares”	a maximum of 75,000,000 new Shares to be placed by a maximum of two tranches (in which each tranche shall not be less than 37,500,000 new Shares) under the Fourth Placing by the Placing Agent on a best effort basis
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 May 2008, pursuant to which 801,683,960 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	(an) independent third party(ies) not being connected person(s) of the Company and not connected with the directors, chief executive and substantial shareholders of the Company and any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Agreements
“Placings”	together, the First Placing, Second Placing, Third Placing and Fourth Placing
“Placing Agent”	Luen Fat Securities Company Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), acting as the placing agent for the Placing Shares pursuant to the Agreements

“Placing Price”	the placing price of HK\$0.27 per Placing Share, for the First Placing, Second Placing, Third Placing and Fourth Placing
“Placing Shares”	together, the First Placing Shares, Second Placing Shares, Third Placing Shares and Fourth Placing Shares
“Second Agreement”	the placing and subscription agreement dated 27 November 2008 and entered into between Subscriber, the Company and the Placing Agent in respect of the Second Placing and the Second Subscription
“Second Placing”	the placing of the Second Placing Shares by the Placing Agent on behalf of Subscriber pursuant to the Second Agreement
“Second Placing Shares”	up to 38,000,000 existing Shares (divided into two tranches, in which each tranche shall not be less than 19,000,000 existing Shares) which are beneficially owned by Subscriber and will be placed by the Placing Agent on its behalf on a fully underwritten basis pursuant to the Second Agreement
“Second Subscriptions”	the subscription for the Second Subscription Shares by Subscriber pursuant to the Second Agreement
“Second Subscription Shares”	up to 38,000,000 new Shares for which Subscriber has conditionally agreed to subscribe pursuant to the Second Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Subscriber”	Legend Win Profits Limited, a company incorporated in the British Virgin Islands and a controlling shareholder (as defined under the Listing Rules) of the Company, which is interested in approximately 39.1% of the entire issued share capital of the Company immediately before the completion of the Placing and the Subscription and the issued shares of which is owned as to 38.95%, 32.63%, 23.16% and 5.26% by Hui Kee Fung, Hui Ki Yau, Hui Hung Tan, Teresa (all of them are executive Directors) and Hui’s K.K. Foundation Limited respectively. As such, a connected person
“Subscriptions”	together, the First Subscription and Second Subscription

“Subscription Shares”	together, the First Subscription Shares and Second Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Agreement”	the placing agreement dated 27 November 2008 and entered into between the Company and the Placing Agent in respect of the Third Placing
“Third Placing”	the placing of the Third Placing Shares by the Placing Agent pursuant to the terms of the Third Agreement
“Third Placing Shares”	a maximum of 37,000,000 new Shares to be placed by a maximum of two tranches (in which each tranche shall not be less than 18,500,000 new Shares) by the Placing Agent on a fully underwritten basis
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

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

Hong Kong, 30 November 2008

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