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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)

DISCLOSEABLE AND CONNECTED TRANSACTION

The Board announces that on 6 July 2011, Bestever, an indirect wholly owned subsidiary of the Company, as the purchaser, and Mr. Solly, as the vendor, entered into the Sale and Purchase Agreement pursuant to which Bestever has agreed to purchase and Mr. Solly has agreed to sell the Sale Shares at the consideration of US\$3,500.00 which was agreed between Bestever and Mr. Solly after arm's length negotiations. Completion took place immediately after the signing of the Sale and Purchase Agreement on 6 July 2011 and the consideration was paid by Bestever to Mr. Solly by way of telegraphic transfer upon Completion.

Mr. Solly is a director and a substantial shareholder of Toland, holding 30% of the issued share capital of Toland and Toland is an indirect non-wholly owned subsidiary of the Company. As such, Mr. Solly is a connected person of the Company. The Acquisition constitutes a connected transaction on the part of the Company and as one of the percentage ratios is more than 5% but less than 25% and the consideration is less than HK\$10,000,000, the Acquisition is only subject to reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempted from the independent Shareholders' approval requirement. The Acquisition also constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

SALE AND PURCHASE AGREEMENT

Date: 6 July 2011

Parties (1) Bestever, as the purchaser
(2) Mr. Solly, as the vendor

Mr. Solly is a director and a substantial shareholder of Toland, holding 30% of the issued share capital of Toland and Toland is an indirect non-wholly owned subsidiary of the Company. As such, Mr. Solly is a connected person of the Company.

No Directors has a material interest in the Acquisition and is required to abstain from voting on the Board resolution.

Asset to be acquired

Pursuant to the Sale and Purchase Agreement, Bestever has agreed to purchase and Mr. Solly has agreed to sell the Sale Shares.

Consideration

The total consideration for the Sale Shares is US\$3,500.00 which was agreed between Bestever and Mr. Solly after arm's length negotiations with reference to the nominal value of the Sale Shares.

The Directors (including the independent non-executive Directors) consider the terms and conditions of the Acquisition to be on normal commercial terms, to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Completion

Completion took place immediately after the signing of the Sale and Purchase Agreement on 6 July 2011 and the consideration was paid by Bestever to Mr. Solly by way of telegraphic transfer upon Completion.

Upon Completion, Bestever, Mr. Solly and Marketing Resource have entered into the Shareholders Agreement which records the respective rights and obligations of Bestever and Mr. Solly in Marketing Resource and the arrangements between them with respect to the ownership, management and operations of Marketing Resource.

Pursuant to the Shareholders Agreement, the maximum number of directors of Marketing Resource shall be three, in which Bestever shall be entitled to appoint and at any time remove or substitute up to two directors and Mr. Solly shall be entitled to appoint and at any time remove or substitute up to one director.

The Directors (including the independent non-executive Directors) consider that the Shareholders Agreement was entered into on normal commercial terms, was in the usual and ordinary course of business of the Group and was arrived at after arm's length negotiation between the parties.

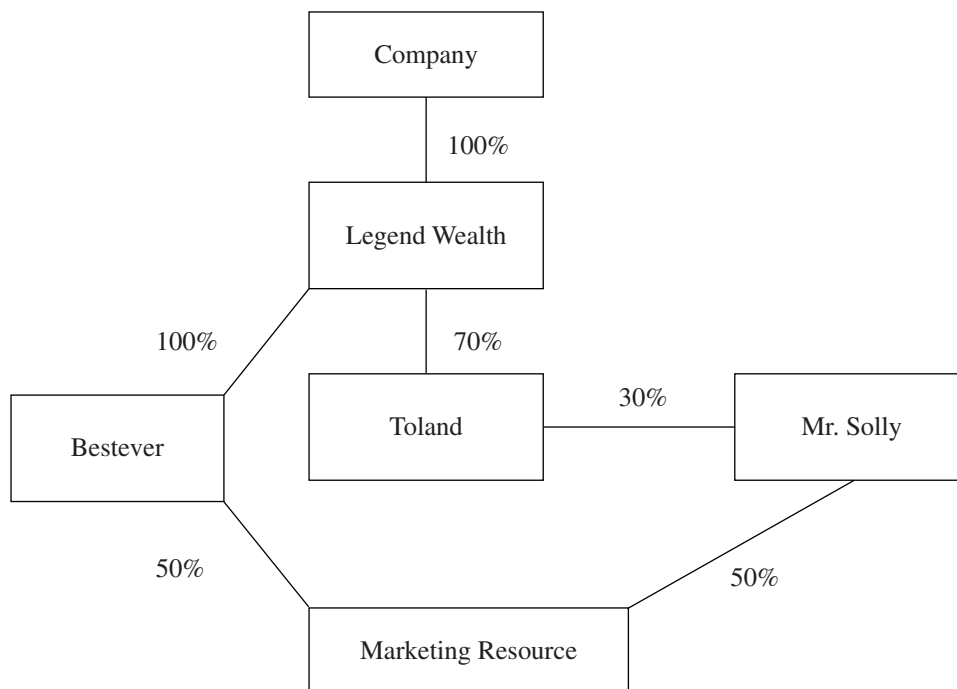
After Completion, Marketing Resource has become an indirect non-wholly owned subsidiary of the Company.

INFORMATION ON THE GROUP

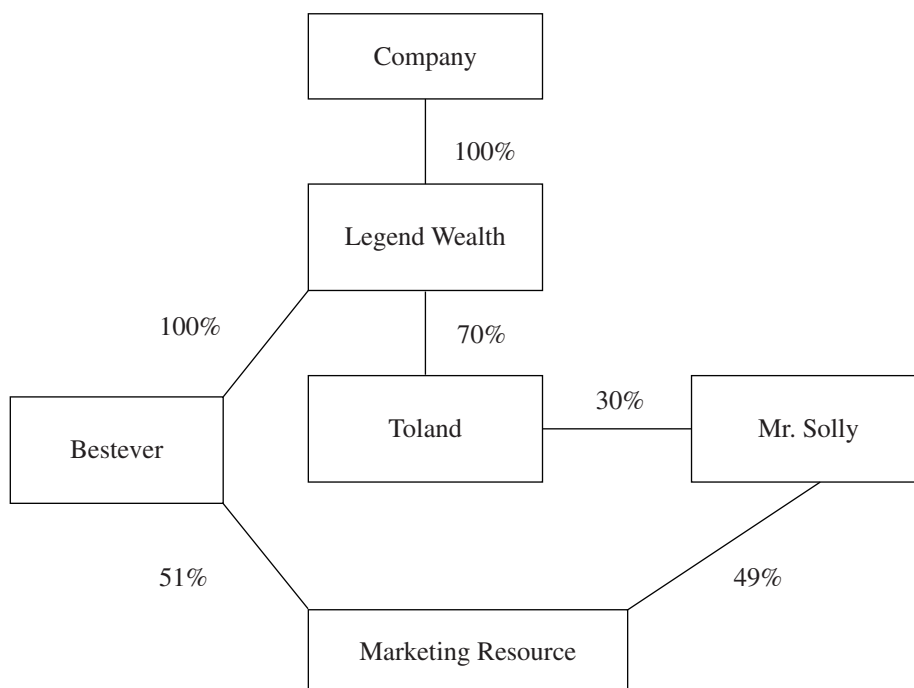
Marketing Resource is a company incorporated in the United States of America and is principally engaged in the trading of flags, home accessories, garden gifts and home decorative gifts products.

The shareholding structure of the Group before and after the Completion is as follows:–

Before Completion



After Completion



The following tables show the consolidated turnover, profit or loss before tax, profit or loss after tax, net assets and total assets of Marketing Resource based on its unaudited management accounts of the relevant period/year:

	For the four months ended 30 April 2011 HK\$'000	For the year ended 31 December 2010 HK\$'000	For the year ended 31 December 2009 HK\$'000
Turnover	10,309	28,640	29,882
Profit/(loss) before tax	24	119	(1,145)
Profit/(loss) after tax	12	92	(732)
	As at 30 April 2011 HK\$'000	As at 31 December 2010 HK\$'000	As at 31 December 2009 HK\$'000
Net assets	3,010	2,846	2,754
Total assets	13,585	15,894	8,290

REASONS FOR THE ACQUISITION

The Group is principally engaged in design, manufacture, sale of a wide range of toys and decorative gift items and exploration and mining of natural resources.

The Board considers that the Acquisition will allow the Company to obtain a majority stake and the control in Marketing Resource. As Marketing Resource has become a non-wholly owned subsidiary of the Company after Completion, any transactions made between the Group and Marketing Resource will not be considered as a connected transaction and no Shareholders' approval is required to approve such transactions in the future.

Taking into account of the aforesaid reasons, the Board considers that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Shareholders and the Company as a whole.

LISTING RULES IMPLICATION

Mr. Solly is a director and a substantial shareholder of Toland, holding 30% of the issued share capital of Toland and Toland is an indirect non-wholly owned subsidiary of the Company. As such, Mr. Solly is a connected person of the Company. The Acquisition constitutes a connected transaction on the part of the Company and as one of the percentage ratios is more than 5% but less than 25% and the consideration is less than HK\$10,000,000, the Acquisition is only subject to reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempted from the Independent Shareholders' approval requirement. The Acquisition also constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

Definitions

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Acquisition”	the acquisition by Bestever of the Sale Shares subject to and upon the terms and conditions of the Sale and Purchase Agreement
“Bestever”	Bestever Developments Limited, a company incorporated in British Virgin Islands with limited liability, which is a wholly owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Kiu Hung Energy Holdings Limited, a company incorporated in the Cayman Islands and the Shares of which are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Legend Wealth”	Legend Wealth Holdings Limited, a company incorporated in British Virgin Islands with limited liability, which is a wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Marketing Resource”	Marketing Resource Group, Inc., a company incorporated in the United States of America with limited liability, and is a 50%-owned jointly controlled entity of the Group and an associate of Mr. Solly
“Mr. Solly”	Mr. Bruce Warren Solly, a director of Toland and Marketing Resource who is interested in 30% and 50% of the issued share capital of Toland and Marketing Resource respectively and is a connected person of the Company

“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the agreement dated 6 July 2011 and made between Bestever as the purchaser and Mr. Solly as the vendor for the sale and purchase of the Sale Shares
“Sale Shares”	3,500 ordinary shares in the issued share capital of Marketing Resource
“Share(s)”	ordinary share(s) of HK\$0.02 each in the capital of the Company
“Shareholder(s)”	holder(s) of share(s) in the capital of the Company
“Shareholders Agreement”	the shareholders’ agreement entered into between Bestever, Mr. Solly and Marketing Resource on 6 July 2011 which set out the respective rights and obligations of the shareholders of Marketing Resource and the arrangements between them with respect to the ownership, management and operations of Marketing Resource
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Toland”	Toland International Limited, a company incorporated in Hong Kong with limited liability, and is a 70% indirect non-wholly owned subsidiary of the Company and an associate of Mr. Solly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 6 July 2011

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