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KWAN ON HOLDINGS

均安控股

KWAN ON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1559)

FURTHER INFORMATION IN RELATION TO THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

Reference is made to the interim report for the Company (the “**Interim Report**”) for the six months ended 30 September 2017 (the “**Period**”). Capitalised terms used herein shall bear the same meanings as those defined in the Interim Report unless the context requires otherwise.

The Company would like to provide additional information in respect of the held-for-trading securities of the Group (the “**Securities**”) as at 30 September 2017. The Group’s Securities comprised of equity securities listed on the Stock Exchange with details as follows:

Name	Number of shares held as at 30 September 2017	Proportion of shareholding in Starlight/Vision Fame	Investment costs as at 30 September 2017 <i>HK\$'000</i>	Approximate size relative to the	Dividends received up to 30 September 2017 <i>HK\$'000</i>	Market value as at 30 September 2017 <i>HK\$'000</i>	Unrealized loss for the Period <i>HK\$'000</i>	Realized loss for the Period <i>HK\$'000</i>
				Company’s net assets as at 30 September 2017				
Starlight	13,175,000	2.02%	64,212	46%	–	61,264	2,948	–
Vision Fame	30,000,000	0.5%	19,551	14%	–	15,600	3,951	–

Performance and prospects of the Securities of the Group

Starlight

As disclosed in the annual report of Starlight for the year ended 31 December 2016, Starlight is engaged in entertainment and gaming business and trading of chemical products and energy conservation and environmental protection products; and it recorded revenue of approximately HK\$195.6 million and total comprehensive loss of approximately HK\$53.7 million. The loss was mainly attributable to the impairment loss on trade and other receivables of approximately HK\$100.9 million for the year ended 31 December 2016.

Starlight used to establish its entertainment and gaming business through entering into Crown Perth Junket Arrangement, the NagaWorld Junket Arrangement and the Star Junket Arrangement. As the NagaWorld Junket Arrangement has ended in January 2017, Starlight will explore the possibility of further extending its business into the gaming and entertainment market to broaden its income sources.

Vision Fame

As disclosed in the annual report of Vision Fame for the year ended 31 March 2017, the principal activities of Vision Fame included (i) provision of building construction services, property maintenance services, alteration, renovation, upgrading and fitting-out works services; (ii) property development and provision of related management and advisory services; and (iii) graphene production and trading of metal and materials. Vision Fame recorded revenue of approximately HK\$1,507.6 million and total comprehensive loss of approximately HK\$19.6 million for the year ended 31 March 2017.

For the Graphene production business, Vision Fame cooperated with reputable research institutions and universities to develop downstream applications of their products. When commercialization of the relevant downstream applicable is feasible, Vision Fame would be able to invest and develop for mass production and broaden the graphene market. Looking forward to 2017-2018, the public sector construction volume is expected to increase further. Besides civil engineering works, demand pick-up is also forecasted for the public housing, industrial and institutional sectors. Further, Vision Fame has reviewed and reformed the business model for non-performing trading and consulting business to minimize the adverse impact brought by the volatile financial and metal market.

The Group has evaluated the portfolio of the investment in the listed securities and the investment risks and has no present intention to further increase the investments in the shares of Starlight and Vision Fame. Nonetheless, the Group will continue to look for investment opportunities with prospect and growth potential to contribute to the value of the Group.

The Company may suffer further loss from the investment in the listed securities and there is no guarantee on investment returns. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Kwan On Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“Director(s)”	director of the Company
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Shares”	Ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of the Shares
“Starlight”	Starlight Culture Entertainment Group Limited (formerly known as Jimei International Entertainment Group Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange (stock code:1159)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vision Fame”	Vision Fame International Holding Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 1315)

“%”

per cent

By order of the Board
Kwan On Holdings Limited
Chen Zhenghua
Chairman

Hong Kong, 11 December 2017

As at the date of this announcement, the Executive Directors are Mr. Chen Zhenghua, Mr. Wong Wa and Mr. Zhang Fangbing; and the Independent Non-executive Directors are Professor Ho Ho Ming, Professor Lam Sing Kwong, Simon and Mr. Lum Pak Sum.