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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: 8305)

FINANCIAL ASSISTANCE FROM CONTROLLING SHAREHOLDER

Certain subsidiaries of the Company had accepted the Facilities granted by the Bank with aggregate sum of HK\$10.0 million. Mr. Wong has provided Personal Guarantee as security to the Facilities without receiving any form of consideration.

The Directors believe that the terms of the Facilities are made on arm's length basis and on normal commercial terms, and are made in the ordinary and usual course of business of the Group and are fair and reasonable and in the interest of the shareholders of the Company as a whole.

GEM LISTING RULES IMPLICATIONS

As Mr. Wong is a Director and controlling shareholder of the Company, the provision of the Personal Guarantee will constitute a connected transaction in the form of financial assistance in favour of the Group. However, as the Personal Guarantee is not secured by any assets of the Group, and as the Directors consider that the Personal Guarantee is on normal commercial terms or better, the Personal Guarantee is fully-exempted from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 20.88 of the GEM Listing Rules.

This announcement is made by Kwan On Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company announces that certain subsidiaries of the Company, including Kwan On Construction Company Limited ("**Kwan On**"), Univic Engineering Limited and Univic Engineering and Construction Limited (collectively the "**Borrowers**"), had accepted the banking facilities (the "**Facilities**") granted by a licensed bank (the "**Bank**") with aggregate sum of HK\$10.0 million on pursuant to the facility letter dated 23 November 2015.

The Facilities are secured by:

1. Pledged bank deposit of not less than HK\$5.0 million executed by Univic Engineering Limited;
2. All monies guarantee and indemnity executed by the Borrowers; and
3. All monies guarantee and indemnity executed by Mr. Wong Yee Tung, Tony (“**Mr. Wong**”), the controlling shareholder of the Company (the “**Personal Guarantee**”).

Mr. Wong will not be receiving any form of consideration from the Group for the provision of the Personal Guarantee. Mr. Wong has undertaken not to withdraw or release the Personal Guarantee unless the Group had fully repaid and/or ceased the Facilities.

PURPOSE AND BENEFITS OF THE FACILITIES

The purpose of the Facilities is to provide additional funds to strengthen the working capital of Kwan On.

In order to be awarded a contract from the Government of Hong Kong Special Administrative Region (the “**Government**”), Kwan On is required to demonstrate the requisite amount of employed and working capital is met in accordance with the Contractor Management Handbook issued by the Government. Accordingly the Facilities enable Kwan On to tender more contracts and/or projects with larger contract sum with the Government.

The Directors believe that the terms of the Facilities are made on arm’s length basis and on normal commercial terms, and are made in the ordinary and usual course of business of the Group and are fair and reasonable and in the interest of the shareholders of the Company as a whole.

GEM LISTING RULES IMPLICATIONS

As Mr. Wong is a Director and controlling shareholder of the Company, the provision of the Personal Guarantee will constitute a connected transaction in the form of financial assistance in favour of the Group. However, as the Personal Guarantee is not secured by any assets of the Group, and as the Directors consider that the Personal Guarantee is on normal commercial terms or better, the Personal Guarantee is fully-exempted from shareholders’ approval, annual review and all disclosure requirements pursuant to Rule 20.88 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Bank is an independent third party and not connected with the Group and its connected persons (as defined in the GEM Listing Rules) as at the date of this announcement. Save for Mr. Wong, none of the Directors or substantial shareholders have any interest, whether directly or indirectly, in the Facilities.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

By order of the Board
Kwan On Holdings Limited
Wong Yee Tung, Tony
Managing Director

Hong Kong, 26 November 2015

As at the date of this announcement, the executive Directors are Mr. Wong Yee Tung, Tony, Mr. Kwong Wing Kie and Mr. Chung Chi Ngong; and the independent nonexecutive Directors are Mr. Ho Ho Ming, Professor Lam Sing Kwong, Simon and Mr. Chan Chung Kik, Lewis.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.kwanonconstruction.com.