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SHK 新工投資有限公司
Hong Kong Industries Limited

*(Incorporated in Hong Kong with limited liability)
(Stock Code : 666)*

**VOLUNTARY SUPPLEMENTAL ANNOUNCEMENT ON
THE ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2018**

Reference is made to the annual report of SHK Hong Kong Industries Limited (the “Company”) for the year ended 31st December, 2018 (the “Annual Report”). This announcement is made upon the request of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company would like to provide shareholders of the Company and the market with additional information in relation to the fair value loss on investments classified under financial assets and liabilities at fair value through profit or loss (“FVPL”) for the year ended 31st December, 2018 (“FV Loss on FA at FVPL”) and the performance and prospects of significant investments as at 31st December, 2018:

As disclosed in the Annual Report, the Company and its subsidiaries had FV Loss on FA at FVPL amounting to HK\$60.16 million which included unrealised loss of HK\$1.96 million and HK\$57.96 million in respect of unlisted and listed financial assets at FVPL respectively. FV Loss on FA at FVPL included realised gain of HK\$1.53 million on disposal of Grand Ming Group Holdings Limited (stock code: 01271) (“Grand Ming”) and unrealised gain of HK\$8.94 million and HK\$0.77 million of Grand Ming and CSOP Hang Seng Index Daily (-1x) Inverse Product (stock code: 07300) (“CSOP”) respectively.

These two significant investments included in financial assets at FVPL as disclosed in the Annual Report amounted to HK\$224.72 million as at 31st December 2018, representing approximately 20% of the Company’s total assets as at 31st December, 2018.

The performance and prospects of investment in Grand Ming and CSOP, the shares of which are listed on the Stock Exchange

Grand Ming

Performance: For the six months ended 30 September 2018 (“FH 2018/19”), the revenue of Grand Ming dropped by 67% to approximately HK\$272 million, compared with the corresponding period of last year. The decrease was largely due to a 80% decrease in revenue from the building construction segment, offset partially by the impact of revenue recognized on sale of a residential unit of Cristallo in the property development segment. Net profit was approximately HK\$51 million for the FH 2018/19, representing a decrease of 28% compared to the corresponding period of last year. Excluding the fair value change of investment properties, Grand Ming recorded an underlying profit of approximately HK\$52 million in FH 2018/19, representing a decrease of 22% as compared with the corresponding period of last year.

Prospects: The next most important growth driver of Grand Ming is property development. Given the limited supply of residential property units, Hong Kong residential property price is expected to remain stable. We expect the upcoming launch of The Grand Marine in Tsing Yi, providing around 780 units in two towers, to be well received and bring substantial cash inflow and profit to Grand Ming.

CSOP

Performance: This unit trust aims to provide investment results that, before fees and expenses, closely inverse performance of Hang Seng Index. As Hang Seng Index tanked in 2018, CSOP Hang Seng Index Daily (-1x) rose by 8.2% in the same year.

Prospects: The unit price continues to track inversely with Hang Seng Index.

The board of directors (the “Board”) of the Company confirms that the above voluntary clarification is only made upon the request of the Stock Exchange and does not mean non-compliance of the Annual Report with the Listing Rules and does not affect other information contained in the Annual Report.

By Order of the Board
**SHK Hong Kong Industries
Limited Warren Lee Wa Lun**
Chairman

Hong Kong, 27th September, 2019

As at the date of this announcement, the composition of the Board is as follows: Mr. Warren Lee Wa Lun (Chairman) and Mr. Mark Wong Tai Chun are Executive Directors; Mr. Arthur George Dew is a Non-Executive Director; and Mr. Albert Ho, Mr. Peter Lee Yip Wah and Mr. Louie Chun Kit are Independent Non-Executive Directors.