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SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

Reference is made to the annual report for the year ended 31 December 2018 (the “**Annual Report**”) published on 17 April 2019 of K. Wah International Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”). The Board of Directors of the Company (the “**Board**”) would like to provide additional information in respect of the Group’s financial assets as disclosed in the Annual Report.

As at 31 December 2018, the Group had financial assets (representing 12.3% of the Group’s total consolidated assets) comprised of:-

- (i) Financial assets at fair value through other comprehensive income (“**FVOCI**”) of HK\$8,092 million or 11.6% of the Group’s then total consolidated assets; and
- (ii) Financial assets at fair value through profit or loss of HK\$499 million or 0.7% of the Group’s then total consolidated assets.

The FVOCI represented the Group’s 3.8% equity interest in Galaxy Entertainment Group Limited (“**GEG**”), which is listed in Hong Kong. The principal activities of GEG are gaming, provision of hospitality, sale, manufacture and distribution of construction materials. It is classified under non-current assets as the Group has no intention to dispose of it within 12 months of the annual report date. This investment is stated at fair value and, in 2018, its value decreased by approximately HK\$2,096 million, almost 21% from 2017 year end as a result of the movement of its share price. During the year of 2018, the Group received from GEG a cash dividend of approximately HK\$148 million. The audited consolidated profit attributable to equity holders of GEG for the year ended 31 December 2018 was approximately HK\$13,507 million and the audited consolidated net asset value attributable to equity holders of GEG as at 31 December 2018 was approximately HK\$62,280 million.

GEG, as stated in its 2019 interim report, is well positioned to capitalise on the future growth of Macau through its solid and healthy balance sheet that comfortably enables GEG to pay dividends, fund its development pipeline and pursue its international expansion ambition. The Board continues to view this as a sound and long term investment.

Save as disclosed above, all other information in the Annual Report remains unchanged.

As at the date of this announcement, the Executive Directors are Dr. Lui Che-woo (Chairman & Managing Director), Mr. Francis Lui Yiu Tung, Ms. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah; the Non-executive Director is Dr. Moses Cheng Mo Chi; and the Independent Non-executive Directors are Dr. William Yip Shue Lam, Mr. Au Man Chu, Mr. Wong Kwai Lam and Mr. Nip Yun Wing.

By Order of the Board of
K. Wah International Holdings Limited
Lee Wai Kwan, Cecilia
Company Secretary

Hong Kong, 29 November 2019