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China Opto Holdings Limited

中國新進控股有限公司

(Incorporated in Bermuda with limited liability)

Website: www.chinaopto.com.hk

(Stock Code: 1332)

CLARIFICATION ANNOUNCEMENT REGARDING ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Reference is made to the annual report (the “Annual Report”) of China Opto Holdings Limited (the “Company”) for the year ended 31 December 2015 published on 27 April 2016. Unless otherwise stated, definitions and terms used herein shall bear the same meanings as defined in the Annual Report.

The Company noted that additional information needs to be disclosed in the section headed “LIQUIDITY AND FINANCIAL STRUCTURE” on page 8 of the Annual Report and therefore the content on that section should also include the following information:

Financial Assets at Fair Value through Profit or Loss Portfolio

As at 31 December 2015, the Group held financial assets at fair value through profit or loss of approximately HK\$667.4 million, comprising listed investments of HK\$517.4 million and unlisted investment of HK\$150.0 million.

Details of the financial assets at fair value through profit or loss were set out as follows:

Nature of investments	Number of shares held	Percentage of shareholding	Unrealised gain/(loss) on fair value change	Dividends received	Fair value/carrying amount		Percentage to the Group's net assets	Investment cost
	as at 31 December 2015	as at 31 December 2015	for year ended 31 December 2015	for year ended 31 December 2015	as at 31 December 2015	as at 31 December 2014	as at 31 December 2015	
	'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%	HK\$'000
<i>Listed Investments</i>								
HengTen Networks Group Ltd. (136) (“HTN”)	237,220	0.32	(9,882)	-	137,588	-	17.66	147,470
Freeman Financial Corporation Ltd. (279) (“FFC”)	504,320	4.88	61,805	-	242,074	-	31.07	180,269
Yugang International Ltd. (613) (“YUP”)	62,154	0.67	667	-	8,018	-	1.03	7,351
Enerchina Holdings Ltd. (622) (“ENH”)	7,887	0.11	(1,335)	-	3,549	-	0.46	4,884

Evergrande Health Industry Group Ltd. (708) (“EHI”)	24,000	0.28	32,243	-	55,680	-	7.15	23,437
eForce Holdings Ltd. (943) (“eFH”)	10,904	0.91	857	-	8,178	-	1.05	7,321
Shengjing Bank Co., Ltd. (2066) (“SBC”)	5,452	0.35	(3,341)	-	54,515	-	7.00	57,856
Media Asia Group Holdings Ltd. (8075) (“MAG”)	10,532	0.49	48	-	6,424	-	0.82	6,376
Union Asia Enterprise Holdings Ltd. (8173) (“UAE”)	30,000	1.19	(105)	-	1,350	-	0.17	1,455
			80,957	-	517,376	-	66.41	436,419
<i>Unlisted Investment</i>								
Convertible redeemable note of Win Wind Capital Ltd.			-	-	150,000	-	19.25	150,000
			80,957	-	667,376	-	85.66	586,419

HTN is principally engaged in the business of investment and trading of securities, provision of finance, property investment, manufacturing and sales of accessories for photographic products.

FFC is principally engaged in the financial services sector, including provision of securities and futures brokerage services, provision of insurance brokerage and financial planning services, provision of corporate finance advisory services, trading of securities and futures, provision of finance, as well as investment holding.

YUI is principally engaged in (i) treasury management; (ii) property investment; and (iii) trading of scrap metals and other materials.

ENH is principally engaged in the financial services sector, including provision of securities brokerage services, placing and underwriting services, provision of corporate finance advisory services, trading and investment of securities, provision of margin financing, money lending services, investment advisory and management services as well as investment holdings.

EHI is principally engaged in magazine publishing, distribution of magazines, digital business, and provision of magazine content and “Internet+” community health management, international hospitals, elderly care and rehabilitation, medical cosmetology and anti-aging.

eFH is principally engaged in the manufacture and sale of healthcare and household products, and coal mining.

SBC is principally engaged in banking businesses and related financial services.

MAG is principally engaged in film production and distribution; organisation, management and production of concerts and live performances; artiste management; production and distribution of television programs; music production and publishing; licensing of media contents; provision of advertising services and consultancy services in planning and management of cultural, entertainment and live performance projects.

UAE is principally engaged in exploration and exploitation of mineral resources and trading of coals, metals and beverages.

The unlisted investment of HK\$150.0 million as at 31 December 2015 represented the 2% per annum convertible redeemable note with outstanding principal amount of HK\$150.0 million issued by Win Wind Capital Limited (“Win Wind”) on 28 December 2015. Win Wind is an investment holding company which together with its subsidiaries is principally engaged in the financial services sector, i.e. provision of securities brokerage services, placing and underwriting services, provision of corporate finance advisory services, trading and investment of securities, provision of margin financing, money lending services, investment advisory and management services. Some of its subsidiaries are licensed to carry on Types 1, 4, 6 and 9 regulated activities under the SFO and money lending activities under the Money Lenders Ordinance (Chapter 163, Laws of Hong Kong) respectively.

Financial Review and Prospects of Investments Portfolio

During the year under review, the Group’s investment portfolio recorded the fair value loss on listed equity investments at fair value through profit or loss and the gain on disposal of available-for-sale listed equity investments of HK\$57.5 million and HK\$30.6 million respectively. Looking forward, the performance of the Group’s listed and unlisted investments held is dependent on the stock market sentiment which in turn is expected to remain volatile and highly susceptible to factors such as interest rate movements, economic performance, inflation and liquidity. The Group will continuously maintain a diversified investment portfolio and closely monitor the financial market from time to time to mitigate the associated risks.

General

The above additional information does not affect other information contained in the Annual Report and the other contents of the Annual Report remain unchanged.

By order of the Board
China Opto Holdings Limited
Lam How Mun Peter
Chairman

Hong Kong, 31 May 2016

As at the date of this announcement, the Board comprised the following Directors:-

Executive Directors

Ms. Poon Ho Yee Agnes (*Managing Director*)
Mr. Lo Yuen Wa Peter
Ms. Sun Dixie Hui

Non-executive Director

Dr. Lam How Mun Peter (*Chairman*)

Independent Non-executive Directors

Mr. Chan Sze Hung
Mr. Cheung Wing Ping
Mr. Ha Kee Choy Eugene
Mr. To Shing Chuen