

**KWAN ON HOLDINGS LTD:
AN HISTORICAL LOSER THAT IS QUITE LIKELY
TO WALK ITS PATH OF YESTERYEAR**

Investors who accepted a Placement of Shares in the **Initial Public Offering (IPO)** of Kwan On Holdings Ltd () (Code: 8305, the **Growth Enterprise Market [The GEM]** of The Stock Exchange of Hongkong Ltd) had been fully apprised in the Placing Prospectus that:

- The Net Profit in respect of the Financial Year, ended March 31, 2015, would be materially lower than that of the previous Year; and,
- About 65 percent of the net proceeds from the Share Placements is destined to retire some bank loans.

Even though investors were put on record as to the above facts, in the first day of trading in the shares of Kwan On Holdings (last Friday, March 27), the 30-cent, Placing Price rose to \$HK2.00 at the opening of The Stock Exchange of Hongkong Ltd, hit a high of \$HK3.20 within the next 55 minutes of trading on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), fell to a low of \$HK2.60 at 11:05 am, and finished the trading day at \$HK2.80 at 4:00 pm.

The number of shares that changed hands, last Friday, was 1.89 million.

To state that the share price of last Friday made little financial sense is to state the obvious.

But, yesterday, trading in the shares of Kwan On Holdings saw the price go right through the proverbial roof.

At the opening of trading in the shares of this Company on the GEM, some shares traded at \$HK2.80, hit \$HK4.00 within one hour later, and, then, the price fell back to \$HK3.52 at noon.

The number of shares that had been traded in the first three hours, last Monday, was 2.07 million.

It seems inevitable that quite a number of investors are about to get their fingers singed in trading in the shares of this Company.

The IPO

Kwan On Holdings made a Share Placement of 240 million, one-cent Shares at the Placing Price Per Share of 30 cents.

Last Thursday, Management announced that the Shares had been '*just sufficiently subscribed.*'

Of the 240 million Placing Shares, 120 million were New Shares and 120 million were those Shares, Placed by Mr Tony Wong Yee Tung () via two companies, one, wholly owned by him and one, being 87.50

percent, owned by him, but both, being under his direct control. These two companies are Fortune Decade Investments Ltd and Twilight Treasure Ltd.

Mr Tony Wong Yee Tung, the Controlling Shareholder of Kwan On Holdings, who is deemed to own, directly, just shy of 75 percent of the entire Issued and Fully Paid-Up Share Capital of the Company, grossed about \$HK36 million from the sales of his Shares at this IPO.

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