

**LKS HOLDING GROUP LTD:
THE TWO CONTROLLING SHAREHOLDERS CONTRACT
NOT TO SELL THEIR SHARES FOR TWO YEARS**

The 2017 Financial Year Could Be In The Red

The two Controlling Shareholders of LKS Holding Group Ltd () (Code: 8415, The Growth Enterprise Market [the **GEM**] of The Stock Exchange of Hongkong Ltd) have contractually promised not to sell their shares, or any part thereof, for two years, starting from the Listing Date (January 12, 2017).

This is the essence of statements, made on Pages 121 and 122 of the Placing Prospectus, dated December 30, 2016.

Under the heading of '***VOLUNTARY LOCK-UP UNDERTAKING BY OUR CONTROLLING SHAREHOLDERS***', it is stated:

'Our Controlling Shareholders, namely Mr. Cheung (Mr Cheung Ka Yan []), Mr. Lam (Mr Lam Shui Wah []), Heavenly White (Heavenly White Ltd, a company, domiciled in the British Virgin Islands [BVI]) and Summer Unicorn (Summer Unicorn Ltd [], a BVI company, wholly owned by Mr Lam Shui Wah) have entered into a deed of lock-up undertaking with our Company (for itself and for the benefit of each of its subsidiary) on 23 December 2016. Pursuant to the deed of lock-up undertaking, each of the Controlling Shareholders has undertaken to our Company and/or the Stock Exchange (The Stock Exchange of Hongkong Ltd) that it or he shall not at any time during the 24-month period following the Listing Date (the first 12 months of which is given to our Company and the Stock Exchange and is required under Rule 13.16A of the GEM Listing Rule while the second 12 months of which is given to our Company voluntarily by the Controlling Shareholders and can only be waived by majority of our Company's independent shareholders), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which it or he is shown by this prospectus to be the beneficial owner if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interest or encumbrances, he/it would cease to be a Controlling Shareholder.'

'The Controlling Shareholders believe that the above arrangement, apart from satisfying the lock-up requirement under Rule 13.16A of the GEM Listing Rules, demonstrates their long-term commitment to our Group and confidence in its future development.'

As far as **TARGET** () can recall, the above statements are a first in the history of The Stock Exchange of Hongkong Ltd.

It is quite likely, however, that other controlling shareholders of companies that are desirous of launching IPOs in the HKSAR will consider, following suit.

The Initial Public Offering (IPO) Of LKS Holding Group Ltd

LKS Holding Group Ltd, on December 30, 2016, published and disseminated its Placing Prospectus in the

Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The Company sought to Place a total of 280 million, one-cent Shares at the Indicative Placing Price Per Share, ranging from a low of 20 cents to a high of 30 cents.

At the midpoint of the Indicative Placing Price Per Share, being 25 cents, Management had estimated that it would net about \$HK50 million, according to Page 210 of the Placing Prospectus.

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