

TARGET

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KWAN YONG HOLDINGS LTD:

OH! HOW NICE IT IS TO BE LOVED BY ONE'S COUNTRY!

In spite of the political unrest that gripped the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, during the second half of the 2019 calendar year in the manner as does a vice hold firmly on to the object, placed within its closed metal jaws, it is very apparent that these 416 square miles continue to be a magnet for quite a number of perspicacious and progressive managements of many foreign companies, seeking to list on the premier equity market of the territory.

Certainly, that must have been the thinking of the senior management of Kwan Yong Holdings Ltd () (Code: 9998, Main Board, The Stock Exchange of Hongkong Ltd).

This Company published and disseminated its Global Offering Prospectus in the HKSAR on December 24, 2019.

In this Prospectus, Management gave the reasons for its determination to list its shares on the Main Board of The Stock Exchange of Hongkong as an alternative to seeking a listing on one of the equity markets of The Republic of Singapore.

At Page 10 of the 454-Page Global Offering Prospectus, it was stated:

‘REASONS FOR THE LISTING IN HONG KONG

‘Our Directors believe that a listing status in Hong Kong will enable our Group to (i) gain direct access to the capital market in Hong Kong for cost effective capital raising for future expansion and corporate finance exercises, and (ii) enhance our corporate profile, recognition and corporate status and assist us in reinforcing our Group’s market awareness and image which in turn strengthen our competitiveness in the building construction industry. Our Directors believe that Hong Kong is a major international financial centre comprising established infrastructure that attracts investors worldwide. The Stock Exchange is a suitable platform given its level of internationalism and maturity in the global financial world. Our Directors recognised that our Group’s presence in Hong Kong capital markets could create a higher level of visibility for the Group among international investors, and hence gain better access to international funding. More importantly, our Directors believe that access to international funding will underpin our Group’s future sustainable growth by providing us with diversified means to fund our future expansion plans. The sole reliance on internal funding will, in the view of our Directors, impose constraints on our business strategies, and therefore, the future expansion and potential growth of our business’.

The Initial Public Offering (IPO) Of Kwan Yong Holdings Ltd

Management of Kwan Yong Holdings Ltd pitched its Global Offering Prospectus on Christmas Eve 2019, Offering a total of 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 65 cents to a high of 75 cents.

HKSAR Investors were Offered 20 million Shares (the HKSAR Offer Shares tranche) and International Investors – presumably, Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investor has equity control – were induced to subscribe to 180 million Offer Shares (the International Offer Shares tranche).

On Tuesday, January 7, 2020, Management of Kwan Yong Holdings Ltd caused to make an Announcement in respect of the Offer Price Per Share and the Allotment Results.

This Announcement stated that the Offer Price Per Share had been struck at the lowest level of the Indicative Offer Price: 65 cents.

Management stated that, at this Offer Price, the coffers of the Company would be enriched by \$HK88.40 million, net of all transparent expenses.

Management also stated that the HKSAR Offer Shares tranche had been ‘*moderately over-subscribed*’, with

a total of 29,227 valid applications for the Offer Shares in this Shares tranche, having been received by Management for a total of 974,555,000 Offer Shares, representing about 48.73 times the total number of 20 million Shares, initially available in this tranche.

With regard to the International Offer Shares tranche, Management stated that this tranche had been '*slightly over-subscribed*'.

A total of 184,620,000 International Offer Shares, equivalent to about 1.03 times the total number of 180 million Shares, initially available under this Shares tranche, had been received.

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