

TARGET

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T U E S D A Y

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KWG LIVING GROUP HOLDINGS LTD: SENIOR OFFICIALS OF THIS COMPANY HAVE TO DEMONSTRATE OBSEQUIOUSNESS ... TO THE BROTHERS KONG

KWG Living Group Holdings Ltd (合景悠活集團控股有限公司) (Code: 3913, Main Board, The Stock Exchange of Hongkong Ltd) was yet another spin-off of an existing publicly listed company, its shares, also, listed on the premier equity market of The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

In an official announcement, Mr Kong Jian Min (孔健岷), the Chairman of KWG Group Holdings Ltd (合景泰富集團控股有限公司) (Code: 1813, Main Board, The Stock Exchange of Hongkong Ltd), informed his company's shareholders of the successful spin-off of KWG Living Group Holdings Ltd on the Main Board of The Stock Exchange of Hongkong Ltd on Friday, October 30, 2020.

In the Global Offering Prospectus of KWG Living Group Holdings Ltd, published and disseminated in the HKSAR on or about Monday, October 19, 2020, at Page 84, under the sub-heading, '**REASONS FOR AND BENEFITS OF THE SPIN-OFF**', it was stated:

'The directors of KWG Holdings (KWG Group Holdings Ltd) consider that the Spin-off will be commercially beneficial to KWG Group and our Group (KWG Living Group Holdings Ltd) for the following reasons:

- a) the Spin-off will allow the shareholders of KWG Holdings an opportunity to realize the value of investment in our Group under a separate standalone platform for our Group's business;*
- b) the Spin-off will enable our Group to build our identity as a separately listed group, to have a separate fund-raising platform and to broaden our investor base through the Global Offering. The Spin-off would allow our Group to gain direct access to the capital market for equity and/or debt financing to fund our existing operations and future expansion without reliance on KWG Holdings, thereby improving our operating and financial management efficiencies;*

- c) *as a separately listed group, our Group will be able to build on our reputation further and be in a better position to negotiate and solicit more business;*
- d) *the Spin-off will enable our Group to enhance our corporate profile, thereby increasing our ability to attract strategic investors, which could provide synergy for our Group, for investment in and forming strategic partnerships directly with our Group; and*
- e) *the Spin-off will enable more focused development, strategic planning and better allocation of resources for KWG Group and our Group with respect to the business of each group. Both KWG Group and our Group will benefit from the efficient decision-making process under the separate management structure for seizing emerging business opportunities, especially with a dedicated management team for our Group to focus on our development and our business.'*

The Initial Public Offering (IPO) Of KWG Living Group Holdings Ltd

Management of KWG Living Group Holdings Ltd made a Global Offering of 383,384,000, one-cent Offer Shares at the indicative Offer Price Per Share, ranging from a low of \$HK7.00 to a high of \$HK8.13.

Investors of the HKSAR, were given the opportunity to subscribe to 38,340,000 HKSAR Offer Shares (the HKSAR Offer Shares tranche) while International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investors has very material interests by virtue of equity control – were induced to subscribe, via valid applications, to 345,044,000 International Offer Shares (the International Offer Shares tranche).

On Thursday, October 29, 2020, Management of KWG Living Group Holdings Ltd announced that the Offer Price Per Share had been struck at \$HK7.89; and it was anticipated that the Company's coffers would be fortified by the Global Offering by about \$HK2,891,400,000.

In respect of the HKSAR Offer Shares tranche, one was informed that this tranche had '*been moderately over-subscribed.*'

It was said that the Company had received 78,989 valid applications for a total of 1,704,691,000 HKSAR Offer Shares, representing about 44.46 times the 38.34 million Offer Shares, initially available under this tranche.

As for the International Offer Shares tranche, one was told that it had been '*very significantly over-subscribed.*'

Management stated that the Company had received subscriptions for a total of 5,820,224,819 International Offer Shares, representing about 16.87 times the 345,044,000 Offer Shares, initially available under this tranche.

The net proceeds of the Global Offering, one was told ... [CLICK TO ORDER FULL ARTICLE](#)

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