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## STRUCTURE AND CONDITIONS OF THE PLACING

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### PLACING PRICE

The Placing Price of HK\$0.30 per Share plus a 1% brokerage, a 0.0027% SFC transaction levy and a 0.005% Stock Exchange trading fee, amounting to a total of HK\$3,030.23 for each board lot of 10,000 Shares. The level of indications of interests in the Placing and the basis of allocations of the Placing Shares will be announced on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.kwanonconstruction.com](http://www.kwanonconstruction.com) on or before 9:00 a.m. on Thursday, 26 March 2015.

### THE PLACING

The Placing of 240,000,000 Placing Shares comprising 120,000,000 New Shares and 120,000,000 Sale Shares are conditionally offered by our Company and the Vendors, respectively, by way of private placements to professional, institutional or other investors. The Placing Shares will represent 25% of our Company's enlarged issued share capital immediately after completion of the Placing and the Capitalisation Issue. The Placing is fully underwritten by the Underwriter. The minimum subscription or purchase size for each subscriber or purchaser of the Placing Shares is 10,000 Placing Shares and thereafter in integral multiples of board lot size of 10,000 Shares. Investors subscribing for or purchasing the Placing Shares are required to pay the Placing Price plus 1% brokerage, a 0.0027% SFC transaction levy and a 0.005% Stock Exchange trading fee, amounting to a total of HK\$3,030.23 for each board lot of 10,000 Shares.

Allocation of the Placing Shares will be based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to purchase further Shares or hold or sell the Shares after the listing of the Shares on GEM. Such allocation is intended to result in a distribution of the Placing Shares which would lead to the establishment of a solid professional, institutional and individual shareholder base for the benefit of our Company and our Shareholders as a whole. No allocations of the Placing Shares will be permitted to nominee companies unless the name of the ultimate beneficiary is disclosed. There will not be any preferential treatment in the allocation of the Placing Shares to any persons.

The Placing is subject to the conditions as stated in the paragraph headed "Conditions of the Placing" below.

### CONDITIONS OF THE PLACING

The Placing is conditional upon:

(a) **Listing**

The Listing Division granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein and any Shares which may be issued pursuant to the exercise of options granted under the Share Option Scheme or the general mandate to issue Shares referred to in Appendix IV to this prospectus; and

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## **STRUCTURE AND CONDITIONS OF THE PLACING**

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### **(b) Underwriting Agreement**

The obligations of the Underwriter under the Underwriting Agreement becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Underwriter) and the Underwriting Agreement not being terminated in accordance with its terms or otherwise prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Details of the Underwriting Agreement, its conditions and grounds for termination, are set out in the section headed “Underwriting” in this prospectus.

If the conditions referred to above are not fulfilled on or before the 30th day from the date of this prospectus, the Placing will lapse and the subscription or purchase money will be returned to the placees or the Underwriter, without interest.

### **COMMENCEMENT OF DEALINGS IN THE SHARES**

Dealings in the Shares on the Stock Exchange are expected to commence on Friday, 27 March 2015. Shares will be traded in board lots of 10,000 Shares each.

### **SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS**

Application has been made to the Stock Exchange for listing of and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus. If the Stock Exchange grants the listing of and permission to deal in the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or, under contingent situation, any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Details of the Placing will be announced in accordance with Rules 10.12(4), 16.08 and 16.16 of the GEM Listing Rules.