

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 23 March 2015 (the “**Prospectus**”) issued by Kwan On Holdings Limited (the “**Company**”).

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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus carefully for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.



KWAN ON HOLDINGS

均安控股

KWAN ON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

**Number of Placing Shares : 240,000,000 Placing Shares (comprising
120,000,000 New Shares offered for subscription
by the Company and 120,000,000 Sale Shares
offered for sale by the Vendors)**

**Placing Price : HK\$0.30 per Placing Share, plus brokerage fee
of 1%, SFC transaction levy of 0.0027% and
Stock Exchange trading fee of 0.005%**

Nominal value : HK\$0.01 per Share

Stock code : 8305

Sponsor



大有融資有限公司
MESSIS CAPITAL LIMITED

Bookrunner and Lead Manager



- The Placing Price is HK\$0.30 per Placing Share, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%. The net proceeds to be received by the Company from the Placing, after deducting the underwriting fees and other expenses to be borne by the Company, are estimated to be approximately HK\$26.7 million.
- The 240,000,000 Placing Shares offered by the Company and the Vendors (comprising 120,000,000 New Shares offered for subscription by the Company and 120,000,000 Sale Shares offered for sale by the Vendors) under the Placing were just sufficiently subscribed.
- Pursuant to the Placing, 240,000,000 Placing Shares have been conditionally allocated to a total of 126 selected professional, institutional and other investors.
- The Directors confirm that to the best of their knowledge and belief, all placees under the Placing are independent from and not connected persons (including any of the directors, chief executive, controlling shareholders, substantial shareholders or existing shareholders) of the Company or any of its subsidiaries, and any of their respective close associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors also confirm that there will not be any new substantial shareholder of the Company immediately after completion of the Capitalisation Issue and the Placing.
- The Directors further confirm that immediately after completion of the Placing and the Capitalisation Issue, the public float of the Company will be 25% of the enlarged issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 27 March 2015. Shares will be traded in board lots of 10,000 Shares each. The stock code of the Shares is 8305.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price is HK\$0.30 per Placing Share, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%. The net proceeds to be received by the Company from the Placing, after deducting the underwriting fees and other expenses to be borne by the Company, are estimated to be approximately HK\$26.7 million. The Directors intend to apply the net proceeds

of the Placing in accordance with the purposes set forth in the section headed “Statement of Business Objectives and Use of Proceeds” in the Prospectus in the following manner:

- (a) approximately 68.1% of the net proceeds or approximately HK\$18.2 million, for repayment of bank loans;
- (b) approximately 16.4% of the net proceeds or approximately HK\$4.4 million, for the recruitment of staff for project management and technical personnel;
- (c) approximately 8.0% of the net proceeds or approximately HK\$2.1 million, for the purchase of required equipment and machinery; and
- (d) approximately 7.5% of the net proceeds, or approximately HK\$2.0 million, for use as general working capital of the Group.

LEVEL OF INDICATION OF INTERESTS UNDER THE PLACING

The 240,000,000 Placing Shares offered by the Company and the Vendors (comprising 120,000,000 New Shares offered for subscription by the Company and 120,000,000 Sale Shares offered for sale by the Vendors) under the Placing were just sufficiently subscribed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 240,000,000 Placing Shares have been conditionally allocated to a total of 126 selected professional, institutional and other investors. The distribution of the Placing Shares is set out below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue
Top placee	30,000,000	12.50%	3.13%
Top 5 placees	145,270,000	60.53%	15.13%
Top 10 placees	207,220,000	86.34%	21.59%
Top 25 placees	237,480,000	98.95%	24.74%

Number of Placing Shares allocated	Number of places
10,000 to 100,000	95
100,001 to 1,000,000	14
1,000,001 to 10,000,000	11
10,000,001 and above	6
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Total	126
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The Directors confirm that to the best of their knowledge and belief, all placees under the Placing are independent from and not connected persons (including any of the directors, chief executive, controlling shareholders, substantial shareholders or existing shareholders) of the Company or any of its subsidiaries, and any of their respective close associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company immediately after completion of the Capitalisation Issue and the Placing within the meaning of the GEM Listing Rules.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. The Directors confirm that immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be 25% of the issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company 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 Listing Date (i.e. Friday, 27 March 2015) or such other date as determined by HKSCC.

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 activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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

No receipt will be issued for any application monies paid. The Company will not issue any temporary documents of title.

The share certificates for the Placing Shares to be distributed via CCASS are expected to be deposited into CCASS on 27 March 2015 for credit to the relevant CCASS Participants' stock accounts designated by the Lead Manager, the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that the Lead Manager (for itself and on behalf of the Underwriter) is entitled to terminate the Underwriting Agreement by giving written notice to the Company upon the occurrence of any of the events set forth in the section headed "Underwriting — Grounds for termination" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Friday, 27 March 2015). In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms and conditions, an announcement will be published by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.kwanonconstruction.com accordingly.

All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its term.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 27 March 2015.

If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.kwanonconstruction.com.

Shares will be traded in board lots of 10,000 Shares each. The stock code of the Shares is 8305.

By order of the Board of
KWAN ON HOLDINGS LIMITED
Wong Yee Tung, Tony
Executive Director

Hong Kong, 26 March 2015

As at the date of this announcement, the executive Directors are Mr. Wong Yee Tung Tony, Mr. Kwong Wing Kie and Mr. Chung Chi Ngong; and the independent non-executive Directors are Mr. Ho Ho Ming, Mr. Lam Sing Kwong, Simon and Mr. Chan Chung Kik, Lewis

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm

that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement and a copy of the Prospectus will remain on the website of the Stock Exchange at www.hkexnews.hk and in the case of this announcement, on the “Latest Company Announcements” page for at least seven days from the date of its posting. This announcement and a copy of the Prospectus will also be published on the Company’s website at www.kwanonconstruction.com