

香港聯合交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

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FOR REFERENCE ONLY

Subject : Display of Adjusted Previous Closing Price of Kantone Holdings Limited (stock code 1059) on AMS/3 for its 3-for-10 Rights Issue on Ex-Rights Date, 12 December 2014

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Pursuant to the rights issue timetable issued by Kantone Holdings Limited ("Kantone"), Kantone's shares (stock code: 1059) will be marked "ex-rights" on 12 December 2014, the Ex-Rights Date. Shareholders, investors and market participants should read the Kantone's announcements and prospectus documents in full including the terms and conditions of the rights issue of Kantone in dealing with Kantone's shares. If they are in doubt, they should consult their professional adviser(s).

As an AMS/3 standard practice for ex-rights issue and for reference only, an Adjusted Previous Closing Price will be displayed in the "PRV CLOSE" field of Kantone's AMS/3 stock page on 12 December 2014, the Ex-Rights Date. The unadjusted previous closing price will instead be displayed in the free text field. Calculation of the Adjusted Previous Closing Price will be based on Kantone's closing price on 11 December 2014 (i.e. last cum-rights trading day) and by using the following standard adjustment formula for rights issue generally.

Adjustment Formula:

Adjusted Previous Closing Price

$$= [(Closing\ Price\ on\ the\ last\ cum-rights\ trading\ day \times Y) + (S \div R \times X)] \div (X + Y)$$

where:

S = Subscription price per rights share, i.e. HK\$1

X = Number of rights shares a shareholder is entitled to subscribe when he/she holds Y consolidated shares^(Note 1) on the record date, i.e. 3 rights shares

Y = Number of consolidated shares^(Note 1) a shareholder has to hold on the record date for entitling him/herself to subscribe for X rights shares, i.e. 10 shares

R = Ratio of share consolidation, i.e. 10/1

Notes:

- (1) Share consolidation of 10 shares of HK\$0.10 each into 1 consolidated share of HK\$1 each which is expected to become effective on 16 December 2014.
- (2) Price adjustment for rights issue will not be made and the previous closing price will remain unchanged on ex-rights date when the adjusted subscription price per existing share (i.e. $S \div R$) is higher than the closing price of the shares on the last cum-rights trading day.

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For illustration purpose, depending on Kantone's closing price on 11 December 2014, the Exchange shall base on the above formula to calculate and display the Adjusted Previous Closing Price on Kantone's AMS/3 stock page on 12 December 2014 as follows:-

<u>CUM-RIGHTS</u>	<u>EX-RIGHTS</u>
<u>Unadjusted Closing Price</u>	<u>Adjusted</u>
<u>on 11 December 2014</u>	<u>Previous Closing Price</u>
<u>(HK\$)</u>	<u>on 12 December 2014</u>
0.0770	0.077*
0.0780	0.078*
0.0790	0.079*
0.0800	0.080*
0.0810	0.081*
0.0820	0.082*
0.0830	0.083*
0.0840	0.084*
0.0850	0.085*
0.0860	0.086*
0.0870	0.087*
0.0880	0.088*
0.0890	0.089*
0.0900	0.090*
0.0910	0.091*
0.0920	0.092*
0.0930	0.093*
0.0940	0.094*
0.0950	0.095*
0.0960	0.096*
0.0970	0.097*
0.0980	0.098*
0.0990	0.099*
0.1000	0.100
0.1013	0.101
0.1026	0.102
0.1039	0.103
0.1052	0.104
0.1065	0.105
0.1078	0.106

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