

Markets

Chinese Stock That Rallied 4,555% Could Get the Boot From the Nasdaq

By [Lily Katz](#)

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► Exchange cites rules related to minimum shareholder counts

► Company says it plans to seek a hearing to appeal decision

[Wins Finance Holdings Inc.](#), the Chinese loan guarantor that couldn't explain a 4,555 percent surge in its stock, is set to be delisted from the Nasdaq Stock Market, which cited violations of exchange rules related to its shareholder base.

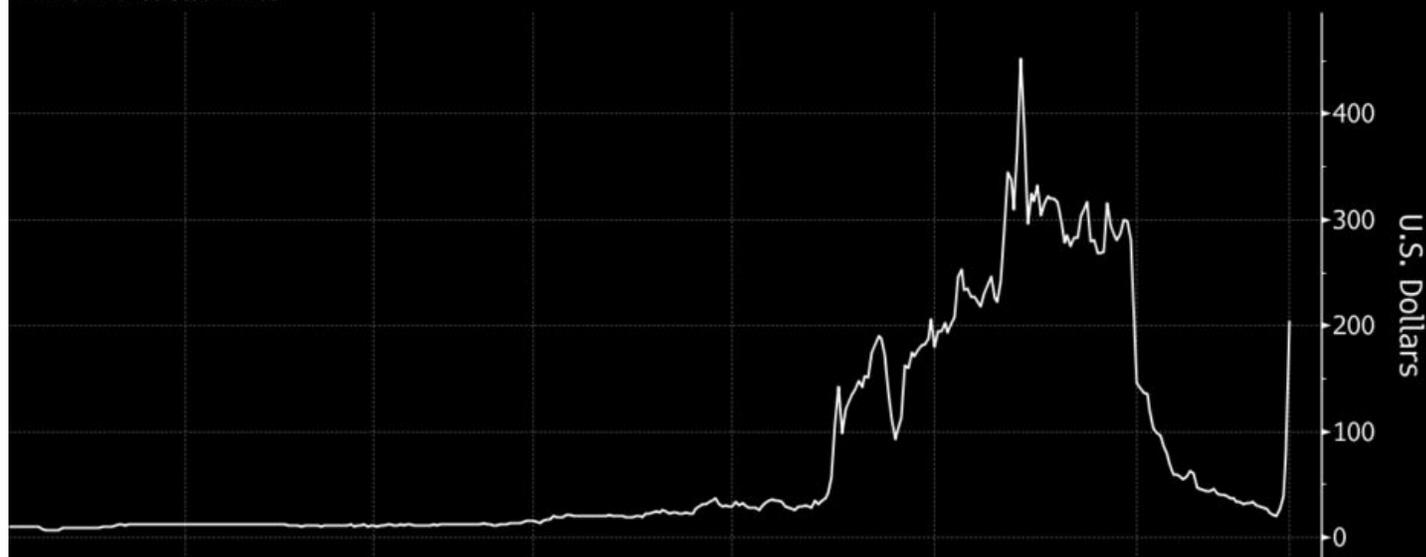
Nasdaq said Wins doesn't meet regulations requiring it to have at least 300 shareholders who own 100 shares. The exchange's decision was also based on "the making of alleged misrepresentations by the company relating to the 300 round-lot shareholder requirement," as well as public interest concerns, Wins said in a [statement](#) Wednesday.

Wins plans to request a hearing to appeal the decision.

At one point, the stock had soared as much as 4,555 percent from its debut on Nasdaq in 2015. Its market value surpassed \$9 billion in February, about four times as much as LendingClub Corp., an online lender that had 50 times the revenue as of March.

Rollercoaster Ride Company can't explain two large surges in its stock

■ Wins Finance Stock Price



Wins, which guarantees loans for small businesses in China and leases equipment to them, lost nearly all of its market value after Bloomberg News reported in March on the mysterious gain in its shares. The stock then spiked in June, and the company again said it didn't know why. Following the initial Bloomberg report, FTSE Russell said it expects to remove Wins from the Russell 2000 Index, and the company's co-CEO resigned from the head role. Nasdaq also halted trading of the shares in June, saying it wouldn't resume until Wins has "fully satisfied Nasdaq's request for additional information."



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The stock was almost delisted in 2016 because Nasdaq said it didn't meet the 300 round-lot shareholder rule, but the company appealed the exchange's decision, and said in February of last year that it would remain listed.

That month the company also said it had switched its principal office from Beijing to New York, paving the way for inclusion in the Russell 2000. Inclusion in indexes often boosts stock prices, but Wins shares didn't jump until five months later.

It is unclear what Wins's Nasdaq removal will mean for the company's sale to Freeman FinTech Corp., a Hong Kong-based financial-services company that agreed in December to buy the founder's majority stake for a large discount.

(Corrects fifth paragraph of story from Aug. 9 to say FTSE Russell expects to remove Wins from the Russell 2000 Index.)

In this article

WINS
WINS FINANCE HOL
 27.24 USD ▼ -1.76 -6.07%

LC
LENDINGCLUB CORP
 5.02 USD ▼ -0.05 -0.99%

RTY
RUSSELL 2000 INDEX
 1,418.63 USD ▼ -8.44 -0.59%