

TARGET

Intelligence Report

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T U E S D A Y

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**MEGAIN HOLDING (CAYMAN) COMPANY LTD:
IT TOOK MORE THAN FOUR YEARS BEFORE IT WAS PERMITTED
TO GO PUBLIC ON THE PREMIER EQUITY MARKET**

**And The Company's Business Is Struggling
... As Profits Continue To Dwindle**

With an unbroken record, during the past four consecutive Financial Years, of enjoying rapidly declining Net Profits Attributable to Shareholders, as well as rapidly drooping Revenues to boot, Senior Management of MEGAIN Holding (Cayman) Company Ltd (美佳音控股有限公司) (Code: 6939, Main Board, The Stock Exchange of Hongkong Ltd) was given the green light by the powers that be to publish and to disseminate its Global Offering Prospectus in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

On scanning the 586-page Global Offering Prospectus, dated Thursday, March 18, 2021, it is very evident that Senior Management of this provider of compatible cartridge chips, based in the PRC, proper, being separate and distinct from the HKSAR, had taken the best part of at least four calendar years to be in a position to obtain permission to publish and to disseminate its Global Offering Prospectus in the HKSAR, as well as to obtain permission to have its shares listed on the Main Board of The Stock Exchange of Hongkong Ltd.

Definition Notes

Cartridge: Printer cartridges, including ink cartridges and toner cartridges.

Cartridge Chips: PCBA with firmware installed, the principal functions of which include facilitating communication between a cartridge and the printer in which it is installed, as well as monitoring cartridge usage.

PCBA: Printed Circuit Board Assembly, a chip set with IC (Integrated Circuit), PCB (Printed Circuit Board) and other components, assembled with no firmware installed.

RMB: RMB, or renminbi, is the lawful currency of the PRC.

The Initial Public Offering (IPO) Of MEGAIN Holding (Cayman) Company Ltd

The main object of the Global Offering Prospectus of MEGAIN Holding (Cayman) Company Ltd was, initially, to sell 125 million, one-cent Offer Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.15 to a high of \$HK1.35.

On Tuesday, March 30, 2021, Senior Management announced, inter alia, the Offer Price Per Share and the Allotment Results.

The Offer Price Per Share, one was informed in this March 30 Announcement, had been struck at \$HK1.26, and, that it had been estimated that the coffers of the Company would be enriched by about \$HK101.40 million from the Global Offering.

It was, also, mentioned in this Announcement that the *'listing expenses in connection with the Listing ... shall amount to approximately RMB46.70 million, representing 35.6% of the gross proceeds from the Global Offering ...'*

(This medium's calculation, however, is that Listing Expenses had cost the Company not less than \$HK55,558,523, equivalent to about 54.79 percent of the net proceeds of the Global Offering.)

Investors of the HKSAR were offered the ability to subscribe to 12.50 million Offer Shares (the Hongkong Offer Shares tranche) and International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investors was deemed to hold equity control, legally and beneficially – were induced to put in their valid applications for some of the 112.50 million Offer Shares (the International Offer Shares tranche).

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