

**SIS MOBILE HOLDINGS LTD:  
THE SMALLEST INITIAL PUBLIC OFFERING  
IN HONGKONG'S HISTORY**

SiS Mobile Holdings Ltd () (Code: 1362, Main Board, The Stock Exchange of Hongkong Ltd) went public on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) – in order to raise just \$HK9.30 million, net of expenses!

It was the smallest **Initial Public Offering (IPO)**, probably in the history of the 416 square miles that constitute the HKSAR.

The Global Offering Prospectus Offered 44.80 million, 10-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 73 cents to a high of 90 cents.

On January 14, 2015, exactly a fortnight after the Company's Global Offering Prospectus was published and disseminated, Management announced that the Offer Price Per Share had been struck at 82 cents, being the midpoint of the Indicative Offer Price Per Share.

Thus, the Company netted \$HK9.30 million, after all expenses.

Trading in the Company's Shares commenced on Thursday, January 15, the share price, rising to a high of \$HK1.03, but falling back to 85 cents, rather smartly.

Last Friday, the share price ended the week at 88 cents.

Yesterday, the share stood at about 88 cents at the close of the morning's trading session.

Management of SiS Mobile spent \$HK27.40 million in order to obtain a listing on the Main Board of The Stock Exchange of Hongkong Ltd.

It spent this not inconsiderable sum of money so that it could raise \$HK9.30 million from the investing public of the HKSAR (4.48 million Shares, being Offered) and from International Investors via Share Placements (40.32 million Shares).

This IPO could not, on the surface, have made too much sense to most reasonable people ... and it strongly smacks that there is something that Management knows but, at this juncture, it is not willing to share with prospective shareholders.

Having said that, is it not so that the prospectus of a company, seeking a listing on a reputable equity market, is supposed to be a hand-on-the-heart declaration of its directors?

By the way, the Global Offering Prospectus, at Page 174, states that the net proceeds from the IPO would be used as to \$HK1 million in order to upgrade the Company's (computerised) information system, \$HK7.40 million to be used to buy an office and warehouse, estimated to cost about \$HK57 million, and about \$HK900,000 to be tipped into the Company's General Working Capital Account.

Jumping to the financials of SiS Mobile, as at June 30, 2014, cash and cash equivalents, listed under Current Assets, stood at about \$HK27.85 million, while bank borrowings, as at June 30, 2014, were standing at \$HK58.50 million.

However, at Page 163 of the Global Offering Prospectus, the Company had no debts, at all.

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