

**UNIVERSAL MEDICAL FINANCIAL AND TECHNICAL  
ADVISORY SERVICES COMPANY LTD:  
DO NOT ASK DIFFICULT QUESTIONS ABOUT THIS COMPANY**

If prospective investors have been pondering how the Net Profit Attributable to Shareholders of Universal Medical Financial and Technical Advisory Services Company Ltd () (Code: 2666, Main Board, The Stock Exchange of Hongkong Ltd) had grown by a little more than 157 percent, during the 36 months, ended December 31, 2014, on an increased Turnover that had risen by about 162 percent, during that period of time, they only have to recall that the Controlling Shareholder of this Company is the Government of the People's Republic of China (PRC).

Universal Medical issued and disseminated its Global Offering Prospectus on June 24, 2015, with trading in this Company's shares, having commenced on July 8, 2015.

Since trading in the shares of this Company kicked off, investors, who applied to the Company for shares at the time of the Global Offering, probably, are not particularly happy.

This is because, as with many newly floated companies on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the PRC, the share price of has fallen, far below the Offer Price.

However, in view of the catastrophic, equity trading conditions, caused by the sudden falls in most share prices on The Shanghai Stock Exchange, falls that have reverberated, round the world, perhaps one should not blame external forces for the losses in share prices, experienced on The Stock Exchange of Hongkong Ltd.

**The Initial Public Offering (IPO)**

Universal Medical launched a Global Offering of 423,189,500, No Par Value Shares, at the Indicative Offer Price Per Share, ranging between a low of \$HK7.68 and a high of \$HK10.00.

Of the total number of shares on Offer, investors of the HKSAR were Offered 42,319,000 Shares, the remaining 380,870,500 Shares, being reserved for International Investors via Share Placements.

On July 7, 2015, Management announced that the Offer Price Per Share had been struck at \$HK8.18 and that the Company expected to garner about \$HK3,296,000,000 after all expenses, regarding this Listing, had been retired.

Management said that the Hongkong Offer tranche had been over-subscribed by about 52.08 times, but, in respect of the International Placing tranche, it had been under-subscribed by about 40 percent.

Management said that it intends to utilise the net proceeds of the IPO as follows:

- Approximately, 45 percent, that is about \$HK1,483,200,000, '*will be used to strengthen the Group's capital resources to support the ongoing growth of the Group's financial leasing business primarily for the healthcare industry ...*';

- Approximately, 20 percent, that is about \$HK659,200,000, ‘will be used for the development of hospital digitalisation solutions to complement the Group’s existing integrated solutions; the Group intends to further recruit and increase the size of the Group’s technology solutions team and develop a proprietary information management system for hospitals; the Group also plans to acquire services in relation to hospital digitalisation solutions, and allocate a portion of the proceeds in financing hospital customers in implementing hospital digitalization solutions ...’;
- Approximately, 15 percent, that is about \$HK494,400,000, ‘will be used for the development of the Group’s hospital management business; the Group intends to recruit a team of hospital management experts to provide hospital management services; in order to acquire hospital management rights, the Group is also expected to make substantial initial investments in the relevant hospitals...’;
- Approximately, 10 percent, that is about \$HK329,600,000, ‘will be used for further development of CVA (Cerebrovascular) project solutions and other new clinical department upgrade solutions for other high demand areas; specifically, the Group intends to increase the number of the Group’s internal experts and the size of the Group’s dedicated sales and marketing team with relevant medical background to allow greater geographic coverage and to support the Group’s expanding number of clinical department upgrade customers; the Group also intends to allocate a portion of the proceeds in financing hospital customers in acquiring medical equipment as part of the clinical department upgrade solutions and ophthalmology solutions through strategic cooperation with medical expert groups...’; and,
- Approximately, 10 percent, that is about \$HK329,600,000, ‘will be used for funding general corporate purposes.’

## **The Business**

Universal Medical is engaged in providing healthcare services in the PRC, proper, being separate and distinct from the HKSAR of the PRC.

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