

**HI-LEVEL TECHNOLOGY HOLDINGS LTD;
IT SEEMS TO BE ON A ROLL**

Since trading in the shares of Hi-Level Technology Holdings Ltd () (Code: 8113, The Growth Enterprise Market [The **GEM**] of The Stock Exchange of Hongkong Ltd) commenced (January 7, 2016), with the exception of the first two trading days, the share price has, slowly but surely, been drifting down.

The share price, at noon yesterday, was 35 cents, down from the first day of trading when it hit a high of \$HK3.35 before closing the day at 99 cents.

On scanning the Placing Prospectus of this Company, based on Management's statements in respect of the anticipated results of the Financial Year, ended December 31, 2015, it would appear that the Placing Price Per Share of 31 cents may well turn out to be something of a bargain price before the Current Year, ending December 31, 2016, draws to a close.

Hi-Level Technology published and disseminated its Placing Prospectus throughout the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on December 31, 2015.

The Placing Prospectus stated that 150 million, one-cent Shares would be Placed at the Indicative Placing Price Per Share, ranging from a low of 27 cents to a high of 31 cents.

On January 6, 2016, Management announced that the Placing Price had been struck at 31 cents Per Share – at the highest level of the Indicative Offer Price Per Share – and that the Company had bagged about \$HK29.50 million, net of all expenses, with regard to Listing on The GEM.

At Page Three of the January 6 announcement, it was stated that the net proceeds of the Share Placements would be utilised as follows:

- *'Approximately HK\$4.5 million (representing approximately 15.1% of the net proceeds) will be used for upgrading the Group's **ERP** (Enterprise Resource Planning) system;*
- *'Approximately HK\$11.1 million (representing approximately 37.7% of the net proceeds) will be used for expanding the Group's **ELA** (Electronic Learning Aid) business;*
- *'Approximately HK\$11.1 million (representing approximately 37.7% of the net proceeds) will be used for expanding the Group's product range; and,*
- *'Approximately HK\$2.8 million (representing approximately 9.5% of the net proceeds) will be used as the Group's general working capital.'*

At Page 207 of the Placing Prospectus, it is stated with regard to the reasons for raising money on The GEM:

'Our Directors believe that the Placing will enhance our profile, strengthen our financial position and competitiveness, and provide us with additional capital to implement our business strategies and future plans as set out in this section. Furthermore, achieving public listing status on the Stock Exchange (The secondary equity market of The Stock Exchange of Hongkong Ltd) will allow us access to capital markets for future corporate finance

exercises, which will assist us in our future business development and strengthen our competitiveness.'

Since the Company only enriched itself by \$HK29.50 million, net of expenses, it is difficult to believe that that modest amount of money could have gone very far to '*strengthen our financial position ...*'.

However ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published,
TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in
TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. TARGET
does not guarantee to publish readers' views, but reserves the right so to do subject to the
laws of libel.*