

**VIXTEL TECHNOLOGIES HOLDINGS LTD:
THE PLACING PROSPECTUS CAUSES ONE
TO ASK MORE QUESTIONS THAN THERE ARE ANSWERS**

With a near, virtual monopoly in the application performance management (APM) in the People's Republic of China (PRC), it is odd that Vixtel Technologies Holdings Ltd () (Code: 8342, The Growth Enterprise Market (the GEM) of The Stock Exchange of Hongkong Ltd) has not performed much better than its financials indicate in respect of the 29-month, track-record period, ended May 31, 2016.

This is made even more anomalous, considering that the Company has no bank or other external borrowings.

The Initial Public Offering (IPO) Of Vixtel Technologies Holdings Ltd

Vixtel Technologies Holdings Ltd issued and disseminated its Placing Prospectus on November 30, 2016.

This document stated that the Company was looking for takers of its 102.80 million, one-cent Shares at the Indicative Placing Price Per Share, ranging from a low of 62 cents to a high of 84 cents.

At Pages 248 and 249 of the Placing Prospectus, it is stated, under the heading of '**REASONS FOR THE LISTING AND USE OF PROCEEDS**', among other things:

'... As of September 30, 2016, our Group had no bank borrowings and our Directors consider that it is difficult for our Group to raise a significant amount of debt with competitive terms and rate without a listing status considering that commercial banks would require personal guarantees from shareholders and fixed asset as collaterals which we do not have. As such, our Directors consider that net proceeds from the Placing are necessary and crucial for strengthening our financial position and furthering our Group's business strategies ...

'Furthermore, while the Placing will provide the needed financial resources and a fund-raising platform to our Group for continued growth and to achieve our business strategies, our Directors also believe that the Listing would:

' ...

'e. provide a platform for our Group to access to capital markets for future secondary fund raising through the issuance of shares and for debt securities to fund its existing operations and future expansion, which could involve lower financing cost as opposed to interest-bearing bank loans and enhance the ability to obtain bank financing with a listed entity as compared to a private entity ... '.

With regard to the utilisation of the net proceeds from the sales of the Company's 102.80 million Shares, Pages 250 and 251 of the Placing Prospectus states that, at the midpoint of the Indicative Placing Price Per Share, being 73 cents, Management expects to be able to net about \$HK57.40 million.

Management has said ... [CLICK TO ORDER FULL ARTICLE](#)

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