

**HAO BAI INTERNATIONAL (CAYMAN) LTD ...
AND TWO MORE WOULD-BE IPOs,
COULD NOT CUT THE MUSTARD**

Having gone to Press, last Friday-week, the story for Saturday, February 11, 2017, being a financial analysis in respect of the Hao Bai International (Cayman) Ltd ([]), Management of this specialised contractor in the design, procurement and installation services of water circulation systems was forced to announce that, after all, it had had *‘to postpone the Placing and Listing of the Shares on GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – to a later date’*.

The reason that had been given was that regulators of The GEM had made enquiries *‘in relation to the requirements under Rule 11.23 of the GEM Listing Rules.’*

Obviously, the GEM regulators had come to the conclusion that Management of Hao Bai International could not, in the vernacular, *‘cut the mustard’*, at least, not at this juncture.

Rule 11.23 of The Listing Rules of The GEM stipulates, inter alia:

‘There must be an open market in the securities for which listing is sought. This will normally mean that:—

‘(1) [Repealed 1 July 2008]

‘(2) with regard to all equity securities for which a listing is sought, except those specified in sub-paragraphs (3) and (4):—

- (a) the market capitalisation of such equity securities (determined as at the time of listing) in the hands of the public must be at least HK\$30,000,000; and*
- (b) there must, as at the time of listing, be an adequate spread of holders of such securities. The number will depend on the size and nature of the issue but, as a guideline, the equity securities in the hands of the public should, as at the time of listing, be held among at least 100 persons (including those whose equity securities are held through CCASS) ...’*

Hao Bai International, however, was not an *‘orphan’* in being left in the lurch, so to speak, because two other, would-be IPOs were, also, forced to withdraw their listings on The GEM.

These two companies were Speed Apparel Holding Ltd () and My Heart Bodibra Group Ltd ().

With regard to Speed Apparel Holding Ltd, it announced, on February 7, 2017, that regulators of The GEM had targeted the company and that the regulators had decided that, under the GEM Listing Rules, specifically, Rule 11.23, this company could not proceed to being a member in good standing of the secondary equity market of The Stock Exchange of Hongkong Ltd.

As for My Heart Bodibra, it announced, on February 3, 2017, that regulators of The GEM had visited this company, too, and had made the determination that this company was unable to cut the mustard.

The official statement from this company was, inter alia:

'In order to allow the Company and the Underwriters to have more time for the book-building process of the Placing to ensure an open market for securities ... the Company has decided to postpone the Placing and the Listing of the Shares on GEM to a later date.'

The above statement is word-for-word with regard to the official statement from Speed Apparel Holding Ltd, dated February 7, 2017.

-- E N D --

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.*