

SHIS LTD:
THIS IS A CLEAR-CUT LESSON ON HOW
TO OBTAIN THE LOVE OF A GOVERNMENT ENTITY

The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) is a far better place to float a company on an equity market than is The Republic of Singapore.

Senior management of SHIS Ltd (Code: 1647, Main Board, The Stock Exchange of Hongkong Ltd) has stated this in its Share Offer Prospectus, dated March 20, 2017.

SHIS Ltd is a company, domiciled in The Cayman Islands, but one that operates, exclusively, in Singapore.

It could be held that it is one of the '*darlings*' of the government of the island state of The Republic of Singapore, the land mass, being 687 square kilometres, with a human population of about 5.87 million, men, women and children.

The Share Offer Prospectus states that 250 million, one-cent Shares are being Offered to prospective investors as follows:

The Public Offer tranche	25 million Shares
The Sale Shares*	75 million Shares
The Placing Shares	150 million Shares

* The Sale Shares are being Offered by Ruiheng Global Investments Ltd (), a company, domiciled in the **British Virgin Islands (BVI)**, and being beneficially owned by Mr Chua Seng Hai () as to 90 percent of the Issued Share Capital and Ms Pek Poi Kiang (), the wife of Mr Chua Seng Hai, as to 10 percent of the Issued Share Capital. Ruiheng Global Investment Ltd is the Controlling Shareholder of SHIS Ltd, owning 75 percent of the entire Issued and Fully Paid-Up Share Capital.

The reasons for SHIS Ltd to list on the premier equity market of the HKSAR are given at Page 112 through to Page 115 of the Global Offering Prospectus.

On these Pages, it is stated, inter alia, that the HKSAR was chosen over Singapore for the following main reasons:

1. '*to gain access to capital market funding*';
2. '*increase the profile of our Group and enable our Group to be considered more favourably by our customers when tendering for contracts, given that a listed company is subject to ongoing regulatory compliance for announcements, financial disclosure and corporate governance*';
3. '*Our Executive Directors had considered and evaluated different listing venues including Hong Kong and Singapore and have concluded that Hong Kong is the suitable venue to pursue a listing after taking into account the following principal factors ...*';
4. '**Higher liquidity in Hong Kong:** Our Executive Directors consider that the level of

trading activities on a stock exchange is one of the key factors indicating the ease of conducting secondary fund raising exercises after a listing'; and,

5. ***'Higher valuation in Hong Kong: ... the average price-earnings ratio of all companies listed on the Stock Exchange in Hong Kong and those listed on the Singapore stock market as at the Latest Practicable Date (March 11, 2017) was approximately 32.8 times and 25.0 times respectively. In addition, the average price-earnings ratio of all companies, which fall within the construction category, listed on the Stock Exchange in Hong Kong and those listed on the Singapore stock market as at the Latest Practicable Date was approximately 88.2 times and 14.5 times respectively'.***

The Initial Public Offering (IPO) Of SHIS Ltd

The 250 million, one-cent Shares are being Offered at the Indicative Offer/Placing Price Per Share, ranging from a low of 50 cents to a high of 70 cents.

On the assumption that the Offer/Placing Price Per Share is struck at 60 cents, being the midpoint of the Indicative Offer/Placing Price Per Share, Management has estimated that it will net about \$HK84.40 million from this (initial?) cash-raising exercise.

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