

**F8 ENTERPRISES (HOLDINGS) GROUP LTD:  
‘MAY’ CAN, ALSO, BE SUGGESTIVE OF ‘INTENSION’**

In grammar, the word, ‘may’, is defined as being an auxiliary verb that connotes, inter alia, an express possibility.

When it is used, extensively, in a prospectus of a company that has been vetted by the powers that be, the management of the **Initial Public Offering (IPO)**, stating in the hand-on-the heart declaration that the company ‘may’ need this or that, the use of this auxiliary word, actually, takes on the definition of that which Management fully intends so to do.

F8 Enterprises (Holdings) Group Ltd (F8[]) (Code: 8347, The **Growth Enterprise Market** [the **GEM**] of The Stock Exchange of Hongkong Ltd) went public on the secondary equity market of The Stock Exchange of Hongkong Ltd on or about April 11, 2017.

The Company Offered a total of 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging between a low of 30 cents and a high of 40 cents.

Only 20 million Shares were Offered to Investors of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), the remaining 180 million Shares, having been reserved for investors with known deep pockets.

At Page 33 of the Share Offer Prospectus, one is told the following:

***‘Shareholders’ equity interests may be diluted as a result of additional equity fund-raising activities***

*‘In the future, we may need to raise additional funds to finance acquisitions, expansion or new developments of our business. If funds are raised through the issue of new equity and equity-linked securities of our Company other than on a pro-rata basis to the existing Shareholders, the percentage ownership of the Shareholders in our Company may be reduced accordingly as a result of which Shareholders may experience dilution in their percentage shareholdings in our Company. Furthermore, it is also possible that such new securities may have preferred rights, options or pre-emptive rights that render them more valuable than or senior to the Shares.’*

In the opinion of **TARGET** (), the above sentence, beginning with, ‘*In the future, we may need to raise additional funds ...*’ is strongly suggestive of a guarantee that that is the determination which Senior Management of F8 Enterprises is preparing to carry out, probably sooner rather than later.

Be that as it may, it is noted that since trading in the shares of this Company commenced on Wednesday, April 12, 2017, the share price has been hit by consistent selling pressure, the result of which is that today’s share price is about 24 percent below the 32-cent Offer Price Per Share.

**The Initial Public Offering Of F8 Enterprises (Holdings) Group Ltd**

On April 11, 2017, F8 Enterprises (Holdings) Group Ltd announced that the Offer Price Per Share had been

struck at 32 cents and that the net proceeds from this call for cash was about \$HK45.10 million.

This amount of money is, presently, destined to be utilised as follows:

1. Approximately, \$HK7.80 million, that is about 17.30 percent of the net proceeds, *'will be used for the purchase of six diesel tank wagons'*;
2. Approximately, \$HK14.00 million, that is about 31.00 percent of the net proceeds, *'will be used for the purchase of one marine diesel oil barge'*;
3. Approximately, \$HK6.10 million, that is about 13.50 percent of the net proceeds, *'will be used for recruitment of (i) three drivers and three logistics assistants to service the Group's expanded fleet of diesel tank wagons; (ii) two coxswains, two technical operators, four sailors, one administration staff, and one operation manager to cope with the Group's marine bunkering business; and (iii) two accounting staff and one safety supervisor to cope with the Group's overall need for business expansion and to enhance its occupational safety management'*;
4. Approximately, \$HK3.60 million, that is about 8.00 percent of the net proceeds, *'will be used for upgrading the information technology systems of the Group'*;
5. Approximately, \$HK9.10 million, that is about 20.20 percent of the net proceeds, *'will be used for working capital necessary for the operation of the new diesel tank wagons and marine bunkering business, including the Group's need to meet the cash outflows for payment to its suppliers in view of the Group's cashflow mismatch ... and other miscellaneous expenses such as insurance expenses, licence renewal fee, buoy mooring cost, repair and maintenance expenses and other working capital requirements'*; and,
6. Approximately, \$HK4.50 million, that is about 10.00 percent of the net proceeds, *'will be used for general working capital of the Group'*.

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