

**RISECOMM GROUP HOLDINGS LTD:
THE GLOBAL OFFERING PROSPECTUS SEEMS
TO RAISE MORE QUESTIONS THAN ANSWERS**

Once again, it has come to the attention of **TARGET** () that a company, desirous of being listed on the equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is without any material, external funding, all things considered.

In fact, it would not be incorrect to add to that above paragraph that, in the case of this company, it has had no material external borrowings for at least the past three Financial Years, ended December 31, 2016.

The company, to which this medium is referring, is Risecomm Group Holdings Ltd () (Code: 1679, Main Board, The Stock Exchange of Hongkong Ltd).

It, also, would not be incorrect to state, definitively, that the reason for this Company to launch its **Initial Public Offering (IPO)** was predicated, in large part, on two, interdependent factors:

1. Management of the Company fears that the debt service on any appreciable bank loan(s) might hamper its existing and future operations; and,
2. Banks, in the present economic climate of the HKSAR, would more than likely be inclined to deny an application for a loan(s) in respect of any material sum(s) of money to be afforded to this Company – especially since sufficient collateral for such a loan(s) could not be forthcoming.

The IPO Of Risecomm Group Holdings Ltd

The Global Offering Prospectus of Risecomm Group Holdings Ltd was published and disseminated in the HKSAR on May 29, 2017.

Management Offered a total of 200 million, \$HK0.0001 Shares at the Indicative Offer Price Per Share, ranging from a low of 90 cents to a high of \$HK1.00.

Among the purported reasons for the listing on the premier equity market of the HKSAR, Management has stated:

‘Our Directors also believe the Listing will further broaden our shareholder base and provide us with the flexibility to adjust our capital structure from time to time, through accessing a wider spectrum of fund raising venue, including debt and equity raising, and negotiating more favorable terms of financing from financial institutions as and when considered appropriate, which in turn will enable us to better withstand external shocks and market fluctuations.

At the midpoint of the Indicative Offer Price Per Share, being 95 cents, Management of Risecomm Group estimated, at Pages 233 and 234 of the Global Offering Prospectus, that it would net about \$HK144.10 million.

However, last Thursday (June 8, 2017), it was announced that the Offer Price Per Share had been struck at \$HK1.00 and that the Company anticipated that it would net about \$HK153.60 million from this call for cash.

In the Allotment Announcement of last Thursday, it was stated that the HKSAR Share Offer tranche of 20 million Shares had been 14.22 times over-subscribed and the International Share Offer tranche of 180 million Shares had been ‘*slightly over-subscribed*’.

At ... [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.*