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OMNIBRIDGE HOLDINGS LTD:
THIS YEAR WILL SEE MORE EROSION OF ITS BOTTOM LINE

Another company, based in The Republic of Singapore, has entered the equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in order to raise some well-needed cash.

The company is Omnibridge Holdings Ltd () (Code: 8462, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd).

This time, the Share Offer Prospectus has made it crystal clear that it requires an equity market, located in an area of Asia, where bankers and other lenders are more flexible than, obviously, in Singapore.

At Page 150 of the Share Offer Prospectus, it is stated:

> '***Reasons for listing***
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> '*We believe that the Listing represents an important step to implement our business strategies. We are applying for listing in Hong Kong because it has a high level of internationalisation, maturity in the global financial market, with sufficient institutional capital and funds following the companies listed in Hong Kong. Therefore, we believe that there will be higher liquidity and valuation, and greater exposure to a broader analyst and investment community, which would facilitate our future fund raising should such need arise. We have not applied for listing of the Shares on any other stock exchange. Our Directors believe that the Listing would help to raise our Group's brand awareness and publicity on an international level, making our services known to new potential clients. In addition, our Directors also believe that clients may prefer to do business with a listed company given its reputation, listing status, public financial disclosures and general regulatory supervision by relevant regulatory bodies. We are also of the view that our Listing in Hong Kong will help us attract more talented staff to join us…*
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> '*During the Track Record Period* (the 36 months, ended December 31, 2016), *our source of funds was mainly generated from our operations. The bank borrowing obtained by us during the Track Record Period was primarily for the purpose of financing the relocation and renovation of our new office in Singapore in 2014. The implementation of our business strategies … will require considerable additional financial resources. Our Directors consider that if we rely on bank borrowings, which would normally require guarantees from our Shareholders, to finance our business expansion, the financing costs incurred would place financial burden on us and the reliance on the financial strength of our Shareholders would also substantially hinder the development and expansion of our business. Our Directors also consider that as we do not have property assets available for pledging as collateral, we may encounter difficulty in securing bank borrowings, without the support by our Shareholders, at all or on terms favourable to us. We believe that through the Listing, not only will we be able to raise net proceeds from the Share Offer to finance our business development plan, but we will enjoy more flexibility and gain access to a variety of fund raising avenues, including the issuance of equity and debt*

securities, to fund our further business expansion and long-term development as and when necessary. Our Directors also believe that a listing status will allow us to gain leverage in obtaining bank financing on relatively more favourable terms, as and when we consider appropriate for our business expansion, and may enable us to acquire bank financing without reliance on our Shareholders for any financial assistance in the form of guarantees. Therefore, our Directors are of the view that the Share Offer would be a more suitable alternative compared to debt financing for the purpose of financing the implementation of our business strategies as mentioned in this section.'

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