

**TRANSTECH OPTELECOM SCIENCE HOLDINGS LTD:  
THIS COMPANY APPEARS TO BE ON A ROLL**

A cursory look at the Profit and Loss Account of Transtech Optelecom Science Holdings Ltd () (Code: 8465, The Growth Enterprise Market [the GEM], The Stock Exchange of Hongkong Ltd), at the time that this Company published and disseminated its Global Offering Prospectus, might well have caused many an investor to look elsewhere in which to invest in the scrip of other company(ies), listed on the equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), but, as it turned out, in the words of Mr William Booth, the British, Methodist preacher, who founded The Salvation Army on July 2, 1865:

*‘Look! Don’t be deceived by appearances – men and things are not what they seem. All who are not on the rock are in the sea!’*

On June 30, 2017, Transtech Optelecom Science Holdings Ltd published its Global Offering Prospectus.

The Company Offered a total of 65 million, one-cent Shares, of which HKSAR Investors were Offered 6.50 million Shares, only, while the remaining 58.50 million Shares were Offered to International Investors.

The Consolidated Statements of Profit of Loss, at Appendix I-3 of the Global Offering Prospectus, showed that, in respect of the three Financial Years, ended December 31, 2016, only in the 2016-Year did the Company record a profit.

Trading in the Shares of the Company commenced on Thursday, July 20, 2017, but, less than one month later (August 14, 2017), Management brought out its 2017 Interim Report with regard to the six months, ended June 30, 2017.

That report stated that, in the First Half of the Current Financial Year, the Company had recorded a Net Profit Attributable to Shareholders of about \$HK56,051,000 against the comparable period in the 2016 Financial Year when the Company reported a Net Profit Attributable to Shareholders of about \$HK30,476,000.

**First, The Global Offering Of Transtech Optelecom Science Holdings Ltd**

The Indicative Offer Price Per Share in respect of the 65 million Shares of Transtech Optelecom Science Holdings Ltd was set at a low of \$HK1.65 to a high of \$HK2.45.

On July 19, 2017, Management of the Company announced that the Offer Price Per Share had been struck at \$HK1.68 – the lowest-acceptable Offer Price, as far as Management was concerned – and that Management anticipated that it would net about \$HK91.80 million from its cash-raising exercise.

The Company stated, at Page Five of the Allotment Results Announcement, how this amount of money was intended to be utilised:

- Approximately, \$HK73.44 million, that is about 80 percent of the net proceeds, ‘will be used for implementing the expansion plan of our new production facility in Thailand, including the construction of a factory in Thailand’;

- Approximately, \$HK4.59 million, that is about five percent of the net proceeds, ‘*will be used for strengthening our research and development capabilities and expanding our range of products*’;
- Approximately, \$HK4.59 million, that is about five percent of the net proceeds, ‘*will be used for enhancing our relationship with existing customers and exploring new customers in Hong Kong and the ASEAN*’; and,
- Approximately, \$HK9.18 million, that it about 10 percent of the net proceeds, ‘*will be used as our general working capital and for general corporate purposes.*’

### **The Business Of Transtech Optelecom Science Holdings Ltd**

Management of ... [CLICK TO ORDER FULL ARTICLE](#)

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