

**NOBLE ENGINEERING GROUP HOLDINGS LTD:  
WHY WOULD ANY RIGHT-MINDED PERSON, HAVING JUST  
A MODICUM OF SAGACITY, WANT TO INVEST IN THIS COMPANY ?**

It seems that the cost to managements of companies, desirous of seeking a listing on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is fast becoming prohibitive.

Take, for instance, the flotation of Noble Engineering Group Holdings Ltd () (Code: 8445, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd), a subcontractor to the building industry of the territory, Management was forced to pay a record-breaking level of eight percent of the aggregate Offer Price Per Share to the following Underwriters:

1. Head and Shoulders Securities Ltd ();
2. Kingsway Financial Services Group Ltd ();
3. ChaoShang Securities Ltd ();
4. Ample Orient Capital Ltd (); and,
5. Grand Partners Securities Ltd ().

In addition, The Sole Sponsor, Kingsway Financial Services Group Ltd, was paid \$HK5 million as a Sponsorship Fee, as well as being reimbursed for all its expenses, related to the flotation of this Company.

At Page 223 of the Share Offer Prospectus of Noble Engineering, dated September 19, 2017, it is stated that Listing Expenses, incurred in sending this Company public on The GEM, was, in aggregate, about \$HK52.90 million (this was on the assumption that the Offer Price Per Share was 46 cents).

As it turned out, however, even though the Offer Price Per Share was struck at 47 cents, the net proceeds from this **I**nitial **P**ublic **O**ffering (**IPO**) was only \$HK41.30 million – about \$HK11.60 million less than the aggregate amount of money, paid to the five Underwriters, the Sponsorship Fee, the fees paid to solicitors,

accountants, printers, etc, etc, etc.

One has to ponder:

*‘For what reason did Senior Management of Noble Engineering determine to engage in this madness?’*

### **The Initial Public Offering Of Noble Engineering Group Holdings Ltd**

Noble Engineering Group Holdings Ltd launched its story in its 391-Page Share Offer Prospectus, dated September 19, 2017.

The Company Offered 150 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 43 cents to a high of 49 cents.

Investors of the HKSAR were Offered 15 million Shares and the remaining 135 million Shares were reserved to be Placed to International Investors, those investors thought to be well heeled, no doubt.

On Thursday, September 28, 2017, it was announced that the Offer Price Per Share had been struck at 47 cents and that the Net Proceeds from this IPO were expected to be about \$HK41.30 million.

The HKSAR offer tranche had been 33.99 times over-subscribed, one was told in the announcement of the allotment results, while the placing tranche was described as having been *‘slightly over-subscribed’*.

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