

**SANBASE CORPORATION LTD:**  
**THIS COMPANY TARGETS WEALTHY CLIENTS**

**Banks Would Not Come To The Party,**  
**So The Company Went Public**

The principal reason that Sanbase Corporation Ltd () (Code: 8501, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) pitched its Global Offering of Shares on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was due to the fact that the Company could not obtain bank support, allowing it to expand operations.

In short, Management had no option but to apply for a listing on The GEM in order to garner some free cash.

This was stated definitively at Page 169 of the Global Offering Prospectus, dated December 18, 2017, where it was written, inter alia, under the heading of '**REASONS FOR THE LISTING**':

*'... We have considered applying for debt financing from banks to fund our future business growth, however, as our Group does not have chargeable assets as security, it is difficult for us to obtain banking facilities. We believe that the fund raised through the Global Offering can provide the necessary funding for our future development and the Listing status may reduce our difficulties in obtaining future banking facilities. In addition, it is expected that the interest rate for bank loans will be on an upward trend in the future, which can expose us to higher interests cost for obtaining banking facilities. We believe that fund-raising through initial public offering will reduce our financing costs ...'*

There were some other reasons that had been given by Management for pitching this Company's **Initial Public Offering (IPO)**, but these were predominantly waffle, in this medium's opinion, and, in the main, they could be classified as trite.

The Principal Banker of Sanbase Corporation Ltd is The Hongkong and Shanghai Banking Corporation Ltd (), by the way.

### **The IPO Of Sanbase Corporation Ltd**

The Global Offering of Sanbase Corporation Ltd was 50 million, \$US0.001 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.56 to a high of \$HK2.04.

Investors of the HKSAR were Offered 5 million Shares and select International Investors were Offered the remaining 45 million Shares via Share Placements.

On January 3, 2018, the Company announced that the Offer Price Per Share had been struck at \$HK1.56 – the lowest acceptable share price, as far as Management was concerned.

The Company netted, at the end of the day, after retiring all fees and costs, relating to the flotation, \$HK56.90 million.

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