

**APEX ACE HOLDING LTD:  
THIS COMPANY HAS BEEN GOING  
FROM STRENGTH TO STRENGTH ...  
SO, WHAT WAS THE RATIONALE TO GO PUBLIC ?**

On paper, it does appear that Apex Ace Holding Ltd () (Code: 6036, Main Board, The Stock Exchange of Hongkong Ltd) has been a winner, during the past 44 months, at least.

Looks can be deceiving, of course, but since Management of this Company has been vetted by the powers that be, one would hope that all that one has read in this Company's Global Offering Prospectus are hand-on-the-heart declarations.

As such, one is forced to believe every word that has been published.

Apex Ace Holding Ltd pitched its Global Offering Prospectus on February 28, 2018.

Management Offered a total of 250 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 40 cents to a high of 58 cents.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered 25 million Shares (the HKSAR Public Offer tranche) while International Investors – Professionals/Institutions/Well-heeled investors (the International Placing tranche) – were Offered the opportunity to subscribe to the remaining 225 million Shares via select Share Placements.

Last Thursday week (March 15, 2018), Management announced that the Offer Price Per Share had been

struck at 50 cents and that the Company anticipated netting \$HK120 million from this call for cash.

According to the Allotment Results Announcement, it was stated that the HKSAR Public Offer tranche of 25 million Shares had been 259.12 times oversubscribed (6,478,015,000 Shares).

As for the International Placing tranche of 225 million Shares, it had been '*slightly over-subscribed*' by approximately 1.22 times, with the shares, having been allotted to 138 Places.

Page Six of Allotment Results Announcement informed investors how Management anticipated utilising the net proceeds of this **Initial Public Offering (IPO)**:

1. Approximately, \$HK40.10 million, that is about 33.40 percent, '*is expected to be used for repayment of bank loans*';
2. Approximately, \$HK2.90 million, that is about 2.40 percent, '*is expected to be used for the establishment of our new product and development department*';
3. Approximately, \$HK11.00 million, that is about 9.20 percent, '*is expected to be used for strengthening the Group's sales and marketing and technical support team*';
4. Approximately, \$HK4.80 million, that is about 4.00 percent '*is expected to be used for the enhancing the Group's warehouse and office in Hong Kong*';
5. Approximately, \$HK7.20 million, that is about 6.00 percent, '*is expected to be used for the installing ERP (Enterprise Resource Planning) and supporting software for the Group's operation*';
6. Approximately, \$HK5.20 million, that is about 4.30 percent '*is expected to be used for the establishment of new offices in Beijing and Chengdu (of the PRC, proper, being separate and distinct from the HKSAR of the PRC)*';
7. Approximately, \$HK36.80 million, that is about 30.70 percent '*is expected to be used for the acquisition and establishment of Shenzhen head office (of the PRC, proper)*'; and,
8. Approximately, \$HK12.00 million, that is about 10.00 percent, '*for the Group's working capital and other general corporate purposes.*'

### **The Business Of Apex Ace Holding Ltd**

Apex Ace Holding Ltd is engaged in the business of being a distributor of semiconductors and other electronic components.

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