

MS CONCEPT LTD:
THE COMPANY HAS FORCAST THAT IT SHALL BE IN
THE ‘RED’ IN RESPECT OF THE CURRENT FINANCIAL YEAR

Another restaurant-owning company has come to the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), admitting, openly, that, in respect of the past Financial Year, ended March 31, 2018, there had been a material decrease in the Net Profit Attributable to Shareholders, compared with the previous Financial Year, and, in respect of the 2019 Financial Year, Management has, in no uncertain terms, promised to record a Net Loss Attributable to Shareholders.

The company is MS Concept Ltd (Code: 8447, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd).

Management of MS Concept Ltd published and disseminated its Share Offer Prospectus on March 29, 2018.

The Company Offered a total of 250 million, one-cent Shares at the Indicative Offer Price Range of between 23 cents and 27 cents.

Investors of the HKSAR were Offered 25 million Shares with the remaining 225 million Shares, having been reserved for Institutional/Professional/Well-heeled Investors via select Share Placements.

At Page 201 of the Share Offer Prospectus, prospective shareholders were informed of the following:

‘LISTING EXPENSES

‘Our estimated Listing expenses in relation to the Listing primarily consist of underwriting commissions, legal and professional fees in relation to the Listing, the commissions together with SFC (The Securities and Futures Commission of the HKSAR) transaction levy and Stock Exchange (The Stock Exchange of Hongkong Ltd) trading fee. For FY2016, FY2017 and the six months ended 30 September 2017, we did not incur any Listing expenses. Our Group expects that the total listing expenses, which is non-recurring in nature, is estimated to be HK\$25.5 million (based on the mid-point of our indicative Offer Price range being HK\$0.25 per Offer Share), of which (i) approximately HK\$5.6 million and HK\$11.1 million are expected to be recognised in the income statement for the year ending 31 March 2018 and 31 March 2019 respectively; and (ii) HK\$8.8 million is expected to be recognised as a deduction in equity directly for the year ending 31 March 2019.

‘Accordingly, the financial results of our Group for the year ending 31 March 2018 and 31 March 2019 are expected to be significantly affected by the estimated expenses in relation to the Listing. As a result, it is expected that there will be a significant decrease in net profit for the year ending 31 March 2018 and 31 March 2019 and we expect that our Group will record a net loss for the year ending 31 March 2019. Our Directors would like to emphasise that this predicted cost of listing is a current estimate for reference only. As such, the actual amount may differ from these estimates and the final amount to be recognised in the combined statement of profit or loss and other comprehensive income of our Group for the year ending 31 March 2018 and 31 March 2019 is subject to adjustment based on audit and the then changes in variables and assumptions.’

The Initial Public Offering (IPO) Of MS Concept Ltd

At the midpoint of the Indicative Offer Price Per Share, being 25 cents, Management of MS Concept Ltd anticipates, netting about \$HK37 million.

That amount of money is \$HK11.50 million more than the total costs, associated with the launching of this IPO.

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