

HPC HOLDINGS LTD:

HERE IS A COMPANY THAT HAS DONE WELL –

BUT MANAGEMENT HAS DETERMINED THAT IT WANTS MORE MONEY

Investors Of The HKSAR Do Not Appear To Have Fallen

In Love With This Singapore-Based Corporate Entity

Considering that HPC Holdings Ltd (Code: 1742, Main Board, The Stock Exchange of Hongkong Ltd) is just 14 years old, and, considering the fact that it had no requirement to raise material, external debt financing, throughout the three Financial Years, ended October 31, 2017, the Company must be considered successful.

Of course, Management has had a little help from the Government of Singapore from where it obtains all its bread and butter.

Be that as it may, the Company is far from being the ‘*darling*’ of investors, coming to the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC).

The Initial Public Offering (IPO) Of HPC Holdings Ltd

HPC Holdings Ltd pitched its story in a Global Offering Prospectus of its Shares on April 27, 2018.

The Company Offered 40 million, one-cent Shares to investors of the HKSAR and 360 million Shares were Offered to International Investors via select Share Placements.

At the time of the publication and dissemination of the Global Offering Prospectus, the Indicative Offer Price Range Per Share was said to have been between the low of 40 cents and the high of 48 cents.

On May 10, 2018, Management announced that the Offer Price Per Share had been struck at 45 cents and that about \$HK124.40 million were the estimated net proceeds from the IPO.

The May 10 Announcement in respect of the Offer Price Per Share and the Allotment Results stated that the net proceeds were intended to be utilised for the following purposes:

- Approximately, 65 percent, that is about \$HK80.90 million, *‘will be used for initial capital deployment (which is approximately 10%-15% of contract sum for our ongoing (being projects which have been awarded subsequent to 31 October 2017) and future projects), including that relating to the purchase of raw materials and engagement of subcontractors, for our ongoing and future projects, that may be undertaken in the year ending 31 October 2018 and onwards, for the development and expansion of our main contractor construction business, in particular, in relation to warehouse construction and projects in the private and public sector’*;
- Approximately, 20 percent, that is about \$HK24.90 million, *‘will be used for the purchase of facilities and equipment such as mobile cranes, excavators, concrete stationary pumps, roller compactors, power float machines, boom lifts and scissor lifts, for our business in order to increase our competitiveness, to cope with our future expansion plan to allow us to undertake larger scale and more complex projects’*;
- Approximately, five percent, that is about \$HK6.20 million, *‘will be used for talent recruitment and training, and expansion of our labour force’*; and,
- Approximately, 10 percent, that is about \$HK12.40 million, *‘will be used for working capital requirements and other general corporate purposes’*.

The last-mentioned item ... [CLICK TO ORDER FULL ARTICLE](#)

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