

HANG YICK HOLDINGS COMPANY LTD:
THIS COMPANY IS SOLIDLY BASED IN THE PRODUCTION
OF STEEL AND METAL FABRICATIONS

Since trading in the shares of Hang Yick Holdings Company Ltd () (Code: 1894, Main Board, The Stock Exchange of Hongkong Ltd) commenced on Friday, October 12, 2018, there has been little investor activity in this counter.

This might seem a little odd, considering that, prior to the commencement of share trading, in the opinion of the many individuals and corporate investors, those especially that demonstrated their interest in the Company by subscribing to the shares on Offer, now having been listed on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

It could be said that Hang Yick Holdings Company Ltd is amongst some of the best companies to seek a listing on one of the two equity markets of the HKSAR for some time.

Notwithstanding any and all international pressures that may have been, in part, as the root cause for the malaise in the trading in the shares of this Company, soon after the production and dissemination of its Global Offering Prospectus, investor interest, validated by the results of the public announcement as to the Offer Price Per Share and the Allotment Results, seem to suggest an entirely different justification for the lack of interest in this Company.

The Initial Public Offering (IPO) Of Hang Yick Holdings Company Ltd

On September 28, 2018, Hang Yick Holdings Company Ltd launched its Global Offering of Shares on the Main Board of The Stock Exchange of Hongkong Ltd.

The Company Offered 190 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 80 cents to a high of 90 cents.

HKSAR Investors were Offered 19 million Shares and International Investors – Institutions, Professionals and/or select Well-Heeled individuals – were Offered 171 million Shares via Share Placements.

On Thursday, October 11, Management of Hang Yick Holdings Company Ltd announced that the Offer Price Per Share had been struck at 85 cents and that the Company anticipated netting about \$HK130.50 million from this cash-raising exercise.

The HKSAR tranche of 19 million Shares had been over-subscribed by 12.48 times (237.12 million Shares) and International Investors, numbering 156 Placees, had subscribed to approximately 1.107 times the 171 million Shares on Offer in this tranche.

At Page Eight of this October 11 announcement, the net proceeds of the Global Offering and of its utilisation were given as follows:

- Approximately, 39.20 percent, that is about \$HK51.20 million, *‘is expected to be used for acquiring machines to replace and enhance our production capacity’*;
- Approximately, 25.80 percent, that is about \$HK\$33.70 million, *‘is expected to be used for expanding our workforce in Hong Kong and the PRC’*;
- Approximately, 18.50 percent, that is about \$HK24.10 million, *‘is expected to be used for renovation and re-design of our existing production facilities’*;
- Approximately, 3.80 percent, that is about \$HK5.00 million, *‘is expected to be used for purchasing delivery trucks’*;
- Approximately, 2.70 percent, that is about \$HK3.50 million, *‘is expected to be used for upgrading our information technology system and equipment’*; and,

- Approximately, 10.00 percent, that is about \$HK13.0 million, ‘*is expected to be used as our general working capital*’.

Not a penny of the net proceeds from this IPO was used to reduce the Company’s indebtedness to banks and/or financing entities because it had no material borrowings from banks and/or obligations under finance leases, as at July 31, 2018.

Further, as at March 31, 2018, the Company had bank balances and cash, amounting to \$HK28,603,000.

The Business Of Hang Yick Holdings Company Ltd

The business ... [CLICK TO ORDER FULL ARTICLE](#)

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