

**GRAND TALENTS GROUP HOLDINGS LTD:**  
**WHY DID MANAGEMENT DETERMINE**  
**TO ENGAGE IN A LOSING PROPOSITION ?**

The net proceeds from the **Initial Public Offering (IPO)** of Grand Talents Group Holdings Ltd () (Code: 8516, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd) was, in actuality, zero.

The flotation of this civil engineering works subcontractor was yet another case of '*Love's Labour's Lost*', to quote the title of one of William Shakespeare's earliest comedies, thought to have been written in about 1595.

One has to ponder, once again, as to the *raison d'être* of the management of a company in determining to seek a listing on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), having been forewarned by a concatenation of circumstances that should have been readily apparent to management that it was quite likely to be a losing proposition.

The following contains some of this medium's reasoning.

**The IPO Of Grand Talents Group Holdings Ltd**

Grand Talents Group Holdings Ltd published and disseminated its Share Offer Prospectus on September 29, 2018.

The Company Offered a total of 120 million, one-cent Shares at the Indicative Offer Price Per Share,

ranging from a low of 40 cents to a high of 55 cents.

Investors of the HKSAR were Offered 12 million Shares and 108 million Shares were reserved to be placed with institutions, professional investors and/or select, well-heeled investors to Management's liking.

On October 12, 2018, Management announced that the Offer Price Per Share had been struck at 40 cents – the lowest acceptable level of the Indicative Offer Price Per Share – with the net proceeds of the IPO, anticipated to be about \$HK23.50 million.

In the October 12 announcement in respect of the Offer Price and Allotment Results, it was stated, at Pages Seven and Eight, how Management intended to apply the net proceeds:

1. Approximately, \$HK9.30 million, that is about 39.60 percent, *'will be used for strengthening our manpower'*;
2. Approximately, \$HK8.80 million, that is about 37.40 percent, *'will be used for acquisition of additional machinery and equipment'*;
3. Approximately, \$HK5.00 million, that is about 21.30 percent, *'will be used for strengthening our financial capabilities to undertake more new and longer scale projects'*; and,
4. Approximately, \$HK400,000, that is about 1.70 percent, *'will be used as general working capital.'*

### **The Business Of Grand Talents Group Holdings Ltd**

Grand Talents Group Holdings Ltd has a history of about 14 years, going back to the incorporation in the HKSAR of Talent Mark Development Ltd () on April 29, 2010.

The Founders of the Company were Messrs Ha Chak Hung () and Ip Chu Shing (), both of whom remain the present Chairman and the Chief Executive Officer, respectively.

At Pages 89 and 90 of the Share Offer Prospectus, prospective investors were given an '**OVERVIEW**' of the business of the Company as ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published,  
TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*