

XINCHENGYUE HOLDINGS LTD:
THIS MULTI-MILLION-RENMINBI COMPANY IS DEBT-FREE

It Has No Bank Support ... And Does Not Require Any

It is, indeed, rare to discover a company, seeking a listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), having no bank support, at all, and, clearly, not requiring such financial support, and, ironically, enjoying net cash, equivalent to about 73 percent of the Turnover of the past Financial Year.

Such a company is Xinchengyue Holdings Ltd () (Code: 1755, Main Board, The Stock Exchange of Hongkong Ltd).

Xinchengyue Holdings Ltd published and disseminated its Global Offering Prospectus on October 24, 2018.

The Company Offered 200 million, \$US0.01 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK2.90 to a high of \$HK3.90.

Investors of the HKSAR were Offered 20 million Shares and International Investors – institutions, professionals and/or select, well-heeled business people/entities – were Offered 180 million Shares.

At Page 267 of the Global Offering Prospectus, Management estimated that it would net about \$HK626.20 million from this cash-raising exercise on the assumption that the Offer Price Per Share was struck at \$HK3.40, being the midpoint of the Indicative Offer Price Per Share.

On Monday, November 5, 2018, Management announced that the Offer Price Per Share had been struck at \$HK2.90 – the lowest acceptable level to Management in respect of the Indicative Offer Price Per Share – and that the Company anticipated, having netted about \$HK530.20 million from the Initial Public Offering (IPO).

Management stated in the ‘**ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS**’ that the net proceeds from the IPO would be utilised as follows:

1. Approximately, 48 percent, that is about \$HK254.50 million, *‘will be used for the expansion of the property management services to enlarge the business scale and bolster the geographic presence across the PRC’*;
2. Approximately, 12 percent, that is about \$HK63.70 million, *‘will be used to acquire/obtain a diverse range of property management projects in various geographical areas’*;
3. Approximately, 15 percent, that is about \$HK79.50 million, *‘will be used for the expansion of the value-added services business line, including the Orange APP and investments in third-party suppliers that complement the business of the Company’*;
4. Approximately, 15 percent, that is about \$HK79.50 million, *‘will be used to invest in advanced technology and the employees to create more efficient services for the residents, enhance the overall efficiency of the internal information management systems and standardize the service quality’*; and,
5. Approximately, 10 percent, that is about \$HK53 million, *‘will be used for working capital and general corporate purposes.’*

The Business Of Xinchengyue Holdings Ltd

Xinchengyue Holdings Ltd has a 22-year history, going back to the incorporation in the PRC of Tibet Xinchengyue Property Services Company Ltd (), now the principal operating subsidiary of Xinchengyue Holdings Ltd.

The March 1996 incorporation of Tibet Xinchengyue, as it is commonly referred to in the Global Offering Prospectus, was orchestrated by Wujin Future Land Investment and Constructions Company (), at that time,

a collective ownership enterprise, controlled by Mr Wang Zhen Hua (), a citizen of the PRC.

Originally ... [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. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*