

eBROKER GROUP LTD:
THE SHARE PRICE SHOULD BE ABLE TO HIT
SINGLE DIGITS ... SOONER RATHER THAN LATER

Upon scanning the Share Offer Prospectus of eBroker Group Ltd () (Code: 8036, The Growth Enterprise Market [the **GEM**], The Stock Exchange of Hongkong Ltd), a number of anomalies become very apparent:

1. Management agreed to pay the record-high underwriting commission of 12 percent to Hongkong Underwriters of the Share Offer;
2. Prior to the launching of Company's Share Offer Prospectus on January 30, 2019, Management was well aware – or should have been well aware – that Listing Expenses were quite likely to exceed the Net Proceeds of the Share Offer by between 22.40 percent and 43.31 percent; and,
3. One of the largest customers of the Company in respect of the 32-month, track-record period, ended August 31, 2018, was T G Securities Ltd (). This company is beneficially owned and controlled by Mr Douglas Chan Lap Tak (), the Chairman of the Board of Directors of Directors of eBroker Group Ltd. Mr Douglas Chan Lap Tak and his wife, Madame Amy Cheung Mee Kuen (), are deemed to be interested in 33.49 percent of the entire Issued and Fully Paid-Up Share Capital of eBroker Group Ltd.

The above-mentioned are far from being the only anomalies that **TARGET** () has discovered on scanning the Share Offer Prospectus of eBroker Group Ltd, but, in this medium's opinion, they are amongst the most-striking.

(Other anomalies shall be brought to Subscriber's attention at the Conclusion of this analysis.)

The Initial Public Offering (IPO) Of eBroker Group Ltd

eBroker Group Ltd published and disseminated its Share Offer Prospectus on January 30, 2019.

Management Offered a total of 230 million, \$HK0.001 Shares at the Indicative Offer Price Per Share, ranging from a low of 28 cents to a high of 44 cents.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered 23 million Shares and 207 million Shares were reserved as Placing Shares, presumably to be sold to Qualified Institutional Investors, Professional Investors and/or select, Well-Heeled Individuals as well as any and all of the corporate entities in which these individuals beneficially owned and/or controlled.

On February 18, 2019, Management of eBroker Group Ltd announced that the Offer Price Per Share had been struck at 28 cents, the lowest-acceptable level of the Indicative Offer Price.

Management stated that it anticipated netting about \$HK23.30 million from this Share Offer.

At Page 251 of the Share Offer Prospectus, it was stated that, at the Offer Price Per Share of 28 cents, Listing Expenses would be \$HK41.10 million.

Thus, the Listing Expenses, at \$HK41.10 million, with regard to the total expenses in respect of Company's flotation on The GEM, as well as the sales of the 230 million Company Shares, was 76.39 percent more than the anticipated net proceeds from the share sales of \$HK23.30 million.

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