

**PIPELINE ENGINEERING HOLDINGS LTD:
THERE ARE FAR-BETTER INVESTMENT
OPPORTUNITIES THAN THIS ONE**

Considering that Pipeline Engineering Holdings Ltd () (Code: 1865, Main Board, The Stock Exchange of Hongkong Ltd) is about 26 years old, one cannot be filled with awe on scanning the Company's Bottom in respect of the 42 months, ended September 30, 2018.

One may be tempted to ask:

'Would the competent management of a corporate entity agree to put nearly all its (proverbial) eggs into just one basket?'

Pipeline Engineering Holdings Ltd is yet another company, the base of which its operations are strictly confined to The Republic of Singapore.

Its Senior Management made the determination to list on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in preference to the 20-year-old, Singapore Exchange Ltd.

There was a logical deduction and very sound judgment in coming to that conclusion.

The Initial Public Offering (IPO) Of Pipeline Engineering Holdings Ltd

The Company published and disseminated its Share Offer Prospectus in the HKSAR on March 14, 2019.

It Offered a total of 230 million, one-cent Shares at the Indicative Offer Price Per Share at not more than 65 cents and not less than 55 cents.

HKSAR Investors were Offered the opportunity to apply for the Company's Shares in the tranche that was labelled, the Public Offer Shares, that tranche, originally limited to 23 million Shares.

A Placing Shares tranche, comprising 207 million Shares, was, presumably, reserved for Institutional Investors, Professional Investors and/or Well-Heeled Investors as well as their controlled corporate entities, via select Share Placings.

On Tuesday, March 26, 2019, in an '*Announcement of (the) Offer Price and Allotment Results*', investors were informed that the Offer Price Per Share had been struck at 55 cents – the lowest level of the Indicative Offer Price – and that the Company's coffers were expected to be enriched by about \$HK90.20 million.

The Public Offer Shares tranche of 23 million Shares had been 25.97 times oversubscribed and the Placing Shares tranche of 207 million Shares had been 1.20 times oversubscribed, one was informed in this Announcement.

At Page Seven of the Announcement, Management informed investors as to how the net proceeds from the IPO would be allocated:

1. Approximately, \$HK53.90 million, that is about 59.70 percent of the net proceeds, '*will be used for relocation to a new property by 30 September 2019 with an estimated total gross floor area of at least 6,500 square metres to be acquired to be used as the Group's office, car park and driveway, foreign worker dormitory and warehouse and fabrication for the Group's machinery*';
2. Approximately, \$HK28.10 million, that is about 31.20 percent of the net proceeds, '*will be used to purchase two pipe jacking machines by 30 June 2019 to strengthen the Group's market position in the infrastructure pipeline engineering works as the Group intends to increase the number and/or scale of projects that the Group secures as well as to increase the Group's market share in the water pipeline and cable installation projects*'; and,
3. The remaining balance of approximately \$HK8.20 million, that is about 9.10 percent of the net proceeds, '*will be used for Working Capital purposes*'.

The History And Business Of Pipeline Engineering Holdings Ltd

The history of Pipeline Engineering Holdings Ltd can be traced back to January 13, 1993, when, in The Republic of Singapore, HSC Pipeline Engineering Pte Ltd, formerly named Hup Seng Choon Contractor Pte Ltd until June 20, 2000, was incorporated in the 719.20 square-metre, City-State.

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