

TARGET

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**HANDS FORM HOLDINGS LTD:
IT, PROBABLY, PITCHED ITS SHARE OFFER
BECAUSE IT NEEDED MONEY ... IN SOMEWHAT OF A HURRY**

Hands Form Holdings Ltd () (Code: 1920, Main Board, The Stock Exchange of Hongkong Ltd) has been in business for the past 30 years.

But, on March 31, 2019, Management found itself with only \$HK6.70 million in cash and bank balances.

As at the same date, the Company had trade payables, amounting to about \$HK52.60 million.

In short, the Company found itself in dire need of money ... and in a hurry.

And so, Hands Form Holdings Ltd sought, and obtained, a listing on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

One might like to ponder, at this point, on noting the above confirmed statistics:

‘How could Senior Management of Hands Form Holdings Ltd find itself in such dire financial straits, having been in business in the HKSAR for such an extended period of time of 30 years?’

The Initial Public Offering (IPO) Of Hands Form Holdings Ltd

Hands Form Holdings Ltd published and disseminated its Share Offer Prospectus on Tuesday, August 6, 2019.

Management Offered a total of 650 million, one-cent Shares at the Offer Price Per Share of 20 cents.

HKSAR Investors were Offered the opportunity to subscribe to 65 million Shares (the Public Shares Offer tranche) and (presumably) International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with any corporate entities in which they held equity control (Placing Shares Offer tranche) – were encouraged to subscribe to 585 million Shares via Share Placements.

On Thursday, August 15, 2019, Management announced that the Public Shares Offer tranche had been *‘moderately over-subscribed’* with a total of 11,581 valid applications for Shares, having been received for a total of 984,300,000 Offer Shares in this tranche.

In view of the fact that the Public Shares Offer tranche had been 15 times (or more), but less than 50 times the number of Offer Shares, initially available in this tranche, a total of 130 million Offer Shares was re-allocated from the Placing Shares Offer tranche to the Public Shares Offer tranche, raising the total number of Shares in the Public Shares Offer tranche to 195 million Shares.

As for the Placing Shares Offer tranche, one was told that the Shares, initially available in this tranche, had been *‘slightly over-subscribed’*, representing about 1.24 times the 585 million Shares available to be Placed to qualified prospective shareholders.

At the end of the day, after all expenses with regard to the Listing had been retired, Management of Hands Form Holdings Ltd was left with about \$HK50 million.

(\$HK40 million was the amount of money that Management had to pay out in total Listing Expenses.)

At Page Seven of the *‘Announcement of Allotment Results’* of August 15, 2019, one was told as to how the net proceeds of the Share Offer were likely to be utilised:

1. Approximately, \$HK39.90 million, that is about 44.30 percent, '*will be allocated to payment for upfront costs*';
2. Approximately, \$HK18.70 million, that is about 20.80 percent, '*will be allocated to expansion of workforce*';
3. Approximately, \$HK9.90 million, that is about 11.00 percent, '*will be allocated to upgrading the office facilities and information technology system*';
4. Approximately, \$HK8.30 million, that is about 9.20 percent '*will be allocated to acquiring machinery and equipment*';
5. Approximately, \$HK7.50 million, that is about 8.30 percent, '*will be allocated to payment of performance bonds*';
6. Approximately, \$HK3.20 million, that is about 3.60 percent, '*will be allocated to renting a new warehouse*'; and,
7. Approximately, \$HK2.50 million, that is about 2.8 percent, '*will be allocated to acquiring safety equipment and tools*'.

The History And Business Of Hands Form Holdings Ltd

The business of Hands Form Holdings Ltd is that of engaging in the provision of wet trades works and other wet trades related ancillary works.

The definition of the term, '*wet trades*', in the Share Offer Prospectus includes plastering on floors, walls and ceilings, tile laying on internal and external walls and floors, brick laying and marble works.

The history of the Company goes back to April 21, 1989 ... [CLICK TO ORDER FULL ARTICLE](#)

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