

TARGET

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QP GROUP HOLDINGS LTD:

THE COMPANY NEEDS MORE MONEY !

To what extent the Coronavirus will have – or already has had – on the profits of QP Group Holdings Ltd () (Code: 1412, Main Board, The Stock Exchange of Hongkong Ltd) only in time shall it be revealed.

But logic dictates that the effects of the Coronavirus on this Company's business must have been deleterious since trading in its shares commenced on Thursday, January 16, 2020.

This 35 year-old, paper-product manufacturing and printing-services provider has its entire production facilities, located in the **People's Republic of China (PRC)**, proper, being separate and distinct from the **Hongkong Special Administrative Region (HKSAR)** of the PRC.

Also, a veritable 'army' of workers, numbering 2,556 full-time employees, are all stationed in the PRC, proper – where the outbreak of the Coronavirus was said to have been its birthplace and where incidents of new infections of the deadly virus seem to be continuously rising.

Since this Company obtained a listing on the premier equity market of the HKSAR, Management has not uttered a dicky bird about its situation under these difficult circumstances.

And, with regard to the Management of this Company, no news is unlikely to be good news.

The Initial Public Offering (IPO) Of QP Group Holdings Ltd

Management of QP Group Holdings Ltd published and disseminated in Global Offering Prospectus on Tuesday, December 31, 2019.

Management made an Offering of 133 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.05 to a high of \$HK1.45.

Investors of the HKSAR were Offered the opportunity to subscribe to only 13.30 million Offer Shares (the HKSAR Offer Shares tranche) while International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities, in which this class of investor has equity control, were given the opportunity to subscribe to 119.70 million Offer Shares, via Share Placements (the International Placing Offer Shares tranche).

On Wednesday, January 15, 2020, in an Announcement in respect of the Offer Price and Allotment Results, one was informed that the Offer Price Per Share had been struck at \$HK1.18 and that Management anticipated netting about \$HK111.90 million from the Global Offering.

With regard to the HKSAR Offer Shares tranche, the January 15 Announcement stated that Management had received a total of 6,408 valid applications for the Offer Shares, representing 90,584,000 Offer Shares, being approximately 6.81 times the 13.30 million Offer Shares, available at this tranche.

With regard to the International Placing Offer Shares tranche, Management stated that this Offer Shares tranche had been '*slightly over-subscribed*', representing an over-subscription of 0.07 times the 119.70 million Offer Shares available at this tranche.

At Page Eight of the January 15 Announcement, one was informed as to Management's intention in respect of the utilisation of the net proceeds of the Global Offering as follows:

1. Approximately, 52.50 percent, that is about \$HK58.70 million of the net proceeds, '*is expected to be used for enhancing the Group's production capacity and operational flexibility*';
2. Approximately, 25.00 percent, that is about \$HK28.00 million of the net proceeds, '*is expected to be*

used for optimising the Group's product mix and production specialisation by, among others, reallocating the Group's production capacity to Heshan (Guangdong) and enhancing the Group's operational efficiency';

3. Approximately, 11.70 percent, that is about \$HK13.10 million of the net proceeds, *'is expected to be used for enhancing the Group's technological capability and upgrading the Group's IT (Information Technology) infrastructure';* and,
4. Approximately, 10.80 percent, that is about \$HK12.10 million of the net proceeds, *'is expected to be used for working capital and other general corporate purposes'.*

The History And Business Of QP Group Holdings Ltd

The incorporation in the HKSAR of QP Printing Ltd () marked the first phase in the history of QP Group Holdings Ltd.

That event took place on or about July 5, 1985, according to the Global Offering Prospectus of QP Group Holdings Ltd.

By the incorporation in the HKSAR of QP Printing Ltd, the two Founders of QP Group Holdings Ltd became Messrs Cheng Wan Wai () and Kenneth Yeung Keng Wu (), both Chinese gentlemen, being residents of the New Territories, the HKSAR.

QP Printing Ltd, today, is a wholly owned subsidiary of QP Group Holdings Ltd.

Initially, the ... [CLICK TO ORDER FULL ARTICLE](#)

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