

TARGET

Intelligence Report

VOLUME XXII No. 141

T H U R S D A Y

July 9, 2020

YEAHKA LTD:

ONE MUST LOOK UPON THIS COMPANY IN WAYS THAT,

PERHAPS, NEVER BEFORE HAD BEEN CONSIDERED

Yeahka Ltd () (Code: 9923, Main Board, The Stock Exchange of Hongkong Ltd) has been in business since 2012, but it has yet to turn a dollar in respect of material net profits.

However, the Company appears to have all the necessary ingredients to make one believe, on scanning its Global Offering Prospectus, that the past is, just that: The past.

Yeahka Ltd describes its business in its Global Offering Prospectus, dated May 20, 2020, as being ‘*a leading payment-based technology platform in China, providing payment and business services to merchants and consumers.*’ (Page One)

The Company, in the not-too-distant past, had been unable to have its shares, listed on the Premier Equity Market of the **Hongkong Special Administrative Region (HKSAR)** of the **People’s Republic of China (PRC)**, being ‘*unable to satisfy the requirements under Rule 8.05(1) of the Listing Rules (of The Stock Exchange of Hongkong Ltd), as our profit attributable to equity holders of the Company (excluding any income or loss of our Group generated by activities outside our ordinary and usual course of business) in respect of the first two years of the Track Record Period (the 36 months, ended December 31, 2019) was less than HK\$30.0 million in aggregate.*’ (Page 13 of the Global Offering Prospectus)

However, an application for a listing of the Company's Shares was successfully made under Rule 8.05(2) of the Listing Rules, as further explained at Page 13 as follows:

'The application has been made on the basis that we satisfy the market capitalization/revenue/cashflow test under Rule 8.05(2) of the Listing Rules with reference to (i) our expected market capitalization at the time of Listing, which, based on the low-end of the indicative offer price range, exceeds HK\$2.0 billion; (ii) our revenue for the year ended December 31, 2019 being RMB2,258.0 million (equivalent to approximately HK\$2,467.8 million), which is over HK\$500.0 million; and (iii) our aggregate net cash generated from operating activities for the three years ended December 31, 2019 being RMB400.0 million (equivalent to approximately HK\$437.2 million), which is over HK\$100.0 million.'

The Initial Public Offering (IPO) Of Yeahka Ltd

Management of Yeahka Ltd published and disseminated its Global Offering Prospectus in the HKSAR on May 20, 2020.

The Company Offered a total of 98,724,000, \$US0.000025 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK12.64 to a high of \$HK16.64.

Investors of the HKSAR were Offered the opportunity to subscribe to 9,872,800 Offer Shares (the HKSAR Offer Shares tranche) and International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investor held equity control – were induced to subscribe to 88,851,200 Offer Shares (the International Offer Shares tranche).

On Friday, May 29, 2020, Management announced that the Offer Price had been struck at \$HK16.64 Per Share, the highest level of the Indicative Offer Price Range.

Based on this Offer Price, Management stated that it anticipated, netting \$HK1,528.10 million from the Global Offering.

With regard to the HKSAR Offer Shares tranche, one was told that it had been '*significantly over-subscribed*'.

Management stated that it had received a total of 166,532 valid applications for the Offer Shares,

representing about 641.38 times the 9,872,800 Hongkong Offer Shares, initially available under this tranche.

With regard to the International Offer Shares tranche, Management stated that this tranche had, also, been ‘*significantly over-subscribed*’.

One was informed that a total 1,045,988,141 International Offer Shares had been subscribed, representing about 12 times the 88,851,200 Offer Shares, initially available under this tranche.

At Page Nine of this Announcement in respect of the Offer Price and the Allotment Results, one was informed how Management anticipated the utilisation of the net proceeds of the Global Offering:

1. Approximately, 20 percent, that is about \$HK305.60 million, *‘to implement sales and marketing initiatives in China and overseas markets to expand customer base and increase its payment transaction volume’*;
2. Approximately, 35 percent, that is about \$HK534.80 million, *‘to expand technology-enabled business services offerings’*;
3. Approximately, 35 percent, that is about \$HK534.80 million *‘to enhance research and technology capabilities’*; and,
4. Approximately, 10 percent, that is about \$HK152.90 million, *‘as working capital and for general corporate purposes.’*

The History And Business Of Yeahka Ltd

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