

# TARGET

## Intelligence Report

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VOLUME XXII No. 149

S A T U R D A Y

July 18, 2020

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### EDENSOFT HOLDINGS LTD:

#### QUÉ SERÁ SERÁ !

Due to the fact that Edensoft Holdings Ltd () (Code: 1147, Main Board, The Stock Exchange of Hongkong Ltd) has not sufficient fixed assets that might be used as collateral in order to satisfy banks' requirements in respect of affording loans to the Company, Senior Management determined that it was forced to seek a listing on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

However, the net proceeds, derived from the Company's Share Offer of April 23, 2020, was only about \$HK23 million, following the retirement of most of the costs, associated directly and indirectly, with regard to the flotation of the Company's Shares.

This, and much more intelligence of a very negative nature, was spelled out in some detail in the Company's Share Offer Prospectus, dated Thursday, April 23, 2020.

#### The Initial Public Offering (IPO) Of Edensoft Holdings Ltd

Management of Edensoft Holdings Ltd published and disseminated its Share Offer Prospectus in the HKSAR on Thursday, April 23, 2020.

The Company sought to sell a total of 500 million, one-cent Offer Shares at 25 cents Per Share.

Investors of the HKSAR were Offered the opportunity to subscribe to 50 million Offer Shares (the HKSAR Public Offer Shares tranche) and International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with this class of investors’ corporate entities in which equity control was vested – were induced to subscribe to 450 million Offer Shares via Share Placements (the International Placing Offer Shares tranche).

On Tuesday, May 12, 2020, Management of Edensoft Holdings Ltd announced that the Offer Price Per Share had, in fact, been fixed at 25 cents, and that the net proceeds from the Share Offer would be about \$HK74 million.

In the Announcement of the Offer Price and the Allotment Results of May 12, 2020, it was stated that the HKSAR Public Offer Shares tranche had *‘been significantly over-subscribed.’*

It was stated in that Announcement that Management had received a total of 33,709 valid applications *‘for a total of 5,781,340,000 Hong Kong Public Offer Shares, equivalent to approximately 115.63 times’* the total number of 50 million Shares, initially available under this Shares tranche.

In respect of the International Placing Offer Shares tranche, one was informed that this Shares tranche had been *‘slightly over-oversubscribed’*.

Totally, one was told, the Company had received applications for 625,790,000 Placing Shares, representing about 1.39 times *‘the total International Placing Shares initially available’* under this Shares tranche.

At Page Eight of this Announcement, one was told how Management intended to utilise the net proceeds of the Share Offer:

- Approximately, 33.00 percent, that is about \$HK24.40 million, *‘will be used for expanding our offices and enhancing our service capacity to capture business opportunities in different regions in the PRC’*;
- Approximately, 35.10 percent, that is about \$HK26.00 million, *‘will be used for strengthening and developing our R&D (Research and Development) and IT (Information Technology) services capabilities and further expanding our cloud services’*;

- Approximately, 16.70 percent, that is about \$HK12.40 million, ‘*will be used for maintaining fund for performance bond*’;
- Approximately, 5.20 percent, that is about \$HK3.80 million, ‘*will be used for strengthening our marketing effort and improving our brand recognition*’; and,
- Approximately, 10.00 percent, that is about \$HK7.40 million, ‘*will be used for our working capital and general corporate purposes*’.

### **The History And Business Of Edensoft Holdings Ltd**

Edensoft Holdings Ltd has a history, going back to November 21, 2002, according to Page 90 of the Share Offer Prospectus.

It was founded by Ms Ding Xin Yun () and her brother, Mr Ding Ming Guang ().

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