

TARGET

Intelligence Report

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SUPERLAND GROUP HOLDINGS LTD:

FRIENDSHIP REALLY COUNTS

But Times Are Really Tough

For Mr and Mrs Ng Chi Chiu

There are at least three inimical aspects in respect of the operations of Superland Group Holdings Ltd () (Code: 368, Main Board, The Stock Exchange of Hongkong Ltd) that investors in this Company should be well aware:

1. The Company is extremely dependent on custom, derived from just two of the largest companies, operating in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**;
2. Revenue, obtained in the first four months of the Current Financial Year, ending December 31, 2020, recorded a material decrease, Year-On-Year, and a Net Loss Attributable to Shareholders; and,
3. Management is especially concerned as to the anticipated deleterious effects of COVID-19 on its core business; and, it has stated as such, in definitive statements.

Superland Group Holdings Ltd is engaged in providing fitting-out services, repairs and maintenance services in the HKSAR.

It has been in business for the past 15 years.

But, today, times are tough – and it appears that this situation is expected to get a great deal tougher as the coronavirus takes its toll of businesses, operating in the 416 square miles that constitute the HKSAR, a sovereign territory of the PRC.

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

Superland Group Holdings Ltd published and disseminated its Share Offer Prospectus in the HKSAR on Tuesday, June 30, 2020.

Management Offered a total of 200 million, one-cent Offer Shares at the Indicative Offer Price Per Share, ranging from a low of 63 cents to a high of 69 cents.

Investors of the HKSAR were Offered the opportunity to subscribe to 20 million Offer Shares (the HKSAR 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 put in valid applications in order to obtain some of the 180 million Placing Shares on Offer (the International Placing Shares tranche).

On Thursday, July 16, 2020, in an Announcement as to the Offer Price and Allotment Results, Management announced that the Offer Price Per Share had been struck at 63 cents – the lowest level of the Indicative Offer Price range.

Management estimated that it would net about \$HK79.40 million from the Share Offer.

With regard to the HKSAR Offer Shares tranche, one was informed that a total of 11,843 valid applications had been received by Management for the 20 million, HKSAR Offer Shares in this tranche, representing 214,564,000 Offer Shares, equivalent to about 10.73 times the number of Shares, initially available for subscription.

As for the International Placing Shares tranche, Management stated that it had been '*slightly over-subscribed*'.

One was informed that valid applications for a total of 195,488,000 Placing Shares had been subscribed for the 180-million Placing Shares on Offer, representing about 1.09 times the total number of Offer Shares, initially available under this tranche.

At Page 10 of this Announcement, one was told as to how Management intended to utilise the net proceeds of the Share Offer:

- 1) Approximately, 36.70 percent, that is about \$HK29.10 million, '*for payment of upfront costs for new projects*';
- 2) Approximately, 53.30 percent, that is about \$HK42.30 million, '*for obtaining surety bonds*'; and,
- 3) Approximately, 10.00 percent, that is about \$HK7.90 million, '*for general working capital of the Group*.'

The History And Business Of Superland Group Holdings Ltd

Superland Group Holdings Ltd can trace its history back about 16 years with the incorporation in the HKSAR, on January 5, 2004, of Success Base Engineering Ltd ().

Mr Ng Chi Chiu () ... [CLICK TO ORDER FULL ARTICLE](#)

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