

TARGET

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ZERO2IPO HOLDINGS INCORPORATED: THE HISTORY OF THIS COMPANY DOES NOT FILL THIS MEDIUM WITH MUCH JOY

On scanning the financials of Zero2IPO Holdings Incorporated (清科創業控股有限公司) (Code: 1945, Main Board, The Stock Exchange of Hongkong Ltd), one has to ponder how this corporate entity stacks up against other corporate entities that have, recently, also sought and obtained a listing of their shares on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

In the opinion of this medium, this Company does not stack up – at all!

Zero2IPO Holdings Incorporated has a history, going back to 2001, when it organised the (first) China Venture Capital and Equity Investment Annual Forum.

About 19 years later, on a Revenue of 167,442,000 renminbi in respect of the 2019 Financial Year, ended December 31, Management recorded a Net Profit Attributable to Shareholders of about 34,525,000 renminbi.

Then, in respect of the six months to June 30, 2020, the Company recorded a Net Loss Attributable to Shareholders of about 5,072,000 renminbi!

Against all the other prospectuses of **Initial Public Offerings (IPOs)** that have crossed the desk of **TARGET** (泰達財經), during the 2020 calendar year, this one comes up close to empty.

Or, put another way, it dies on the vine.

The IPO Of Zero2IPO Holdings Incorporated

Zero2IPO Holdings Incorporated published and disseminated its Global Offering Prospectus in the HKSAR on Wednesday, December 16, 2020.

Management Offered a total of 40 million, \$US0.0001 Offer Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK9.00 to a high of \$HK11.00

Investors of the HKSAR were afforded the opportunity to subscribe to four million Offer Shares (the HKSAR Public 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 investors is deemed, legally and beneficially, to have equity control – were induced to subscribe to the remaining 36 million Offer Shares (the International Offer Shares tranche).

On Tuesday, December 29, 2020, Management of Zero2IPO Holdings Incorporated caused to make an Announcement as to the Offer Price and Allotment Results, stating, inter alia, that the Offer Price Per Share had been struck at the highest point of the Indicative Offer Price range, to wit: \$HK11.00.

Also included in this missive was that Management anticipated that the Company's coffers would be enriched by about \$HK390.10 million due to the Global Offering.

With regard to the HKSAR Public Offer Shares tranche, this Announcement stated that Management had received a total of 284,711 valid applications for a total of 5,574,185,200 Offer Shares, representing approximately 1,394 times the four million Offer Shares, initially available under this tranche.

With regard to the International Offer Shares tranche, one was informed that it had '*been moderately oversubscribed*', representing about eight times the total number of Offer Shares, initially available under the tranche.

At Pages Seven and Eight of the December 29, 2020 Announcement, one was apprised as to how Management presently anticipated, utilising the net proceeds of the Global Offering:

- Approximately, 39.40 percent of the net proceeds, that is about \$HK153.70 million, '*to expand our geographical coverage in China, including: (1) approximately 22.3% of the net proceeds, or approximately HK\$87.0 million, to expand our services into seven of China's major second-tier cities; and (2) approximately 17.1% of the net proceeds, or approximately HK\$66.7 million, to expand into around 40 lower-tier cities*';
- Approximately, 9.80 percent of the net proceeds, that is about \$HK38.20 million, '*to improve our offline service offerings and capture the industry trend toward online-offline integration, including: (1) approximately 5.6% of the net proceeds, or approximately HK\$21.8 million, to establish a training center for SandHill College; and (2) approximately 4.2% of the net proceeds, or approximately HK\$16.4 million, to develop online platforms to host industry events and deliver Investment College related courses online*';
- Approximately, 5.80 percent of the net proceeds, that is about \$HK22.70 million, '*to upgrade our online platforms and enrich our online service offerings, including: (1) approximately 2.4% of the net proceeds, or approximately HK\$9.4 million, to upgrade our Deal-Market; (2) approximately 1.9% of the net proceeds, or approximately HK\$7.4 million, to upgrade our PEdata Database (a database, maintained by the Company) and introduce new services; and (3)*

approximately 1.5% of the net proceeds, or approximately HK\$5.9 million, to enrich the content offerings of our PEdaily’;

- Approximately, 9.90 percent of the net proceeds, that is about \$HK38.60 million, *‘to enhance our sales and marketing efforts’;*
- Approximately, 5.60 percent of the net proceeds, that is about \$HK21.80 million, *‘to scale our services into overseas emerging markets, such as Southeast Asia and India’;*
- Approximately, 20.00 percent of the net proceeds, that is about \$HK78.00 million, *‘to selectively pursue investment and acquisition opportunities’;* and,
- Approximately, 9.50 percent of the net proceeds, that is about \$HK\$37.10 million, *‘to be used for additional working capital and other general corporate purposes.’*

The Business Of Zero2IPO Holdings Incorporated

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