

**FOREFRONT INTERNATIONAL HOLDINGS LTD :
FOR WHAT REASON DID NOT THIS COMPANY GO PUBLIC IN TAIWAN ?**

With Taiwan, suffering a deep economic recession, and with this company, relying almost completely on sales of its heavy duty commercial vehicles to the extent of about 60 percent of Turnover, it is only logical that Forefront International Holdings Ltd should seek a listing on the Main Board of The Stock Exchange of Hongkong Ltd.

Forefront International Holdings Ltd (Code: 885), the latest candidate for a listing on the Main Board, is making its pitch to raise about \$HK108 million, gross, coming down to about \$HK87 million, after all expenses, relating to this flotation, have been paid.

The Company is the exclusive distributor for the Swedish manufacturer, Scania CV AB.

It distributes trucks, tractors, coach chassis and buses in the People's Republic of China (PRC), the Hongkong Special Administrative Region (HKSAR), the Macau Special Administrative Region (MSAR), and Taiwan.

But in Appendix I of the Public Offer and Placing Prospectus, it is shown that Forefront International only does business in Taiwan, the HKSAR and the PRC.

No business has been transacted in the MSAR, thus far.

And there is good reason for this, no doubt, since there is little going on – other than a lot of gambling – in this 6, square-mile enclave, which sports a total human population of less than 500,000 permanent residents.

For the past 3 Financial Years, the following is a geographic breakdown of the Turnover of this Company:

	Financial Year ended December 31		
	1998	1999	2000
	All Figures are Denominated in \$HK'000		
Taiwan	278,214	368,944	413,768
The HKSAR	201,443	170,844	247,845
The PRC	44,196	45,015	36,435
Total	523,853	584,803	698,048

As is only too apparent, Taiwan has been responsible, over the above, track-record period, for about 60 percent of the Turnover of this Company (Turnover represents sales of goods and income from motor repairs and maintenance services, in the main).

Sales and the provision for motor repairs and maintenance services in the HKSAR represented, during the track record period, about 34 percent of the Turnover, the above table indicates.

Sales of goods – that means vehicles, in the main – for Forefront International has, over the past 3 Financial Years, been responsible for about 79 percent, 74 percent and 78 percent of the Turnover, respectively.

In summary, therefore, Forefront International relies on sales of its Scania vehicles for its '*bread and butter*'; and, it relies, very heavily on sales of these vehicles in Taiwan.

But Taiwan's economy is in dire need of schtick!

The Flotation

Forefront International is Placing 59.25 million, 10-cent shares at a Premium of 98 cents per share and is, also, Offering a tranche of 20 million shares on the same basis to anybody, who will front up with the money. In addition to this, the Company is Placing another tranche of 20.75 million shares with what it calls, 'Strategic Investors', also on the same basis as the other 2 tranches ... [CLICK TO ORDER FULL ARTICLE](#)

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