

**RONTEX INTERNATIONAL HOLDINGS LTD :  
THIS IS A 2-MAN BAND, KNITTING PROFITS FROM SOUTH AMERICA**

Jewish merchants would say that Mr and Mrs Cheung Keng Ching are in the schmutter trade (selling garments), but, if a Jewish merchant were to be asked as to the reason that Mr and Mrs Cheung Keng Ching pumped their flat, that is the matrimonial home, into their publicly listed company, one may well hear the response from that Jewish merchant: *'Vas else is neue?'*

Because that is, exactly, what Mr and Mrs Cheung Keng Ching have done: Beefed up the Net Asset Value of Rontex International Holdings Ltd by pumping in a Mid-Levels flat into the flotation of this schmutter Company.

Rontex International (Code: 1142, Main Board, The Stock Exchange of Hongkong Ltd) Offered a total of 60 million, one-cent Shares at a Premium of 99 cents per Share.

Of those Shares on Offer, 9 million New Shares were available to the investing public on subscription, while 27 million Shares were New Shares, and another tranche of 24 million Shares were those in the war chest of Mr and Mrs Cheung Keng Ching.

At the end of the day, Rontex International banked about \$HK28.80 million, net of expenses, which is to be used, the Prospectus states, for the following purposes:

1. HK8 million to acquire additional machinery and equipment in order to expand the Company's existing manufacturing facilities;
2. \$HK15 million to expand the Company's production plant; and,
3. \$HK5.80 million to be tipped into the Working Capital Account.

Mr and Mrs Cheung Keng Ching got off very nicely with about \$HK19 million, net of expenses, and continue to maintain control of their Company to the extent of 61.80 percent, after the float was a fiat accompli.

In addition, Mr and Mrs Cheung Keng Ching sold the family home into the Company at a valuation of \$HK10.50 million.

The flat had been purchased in January 1999 for \$HK11.46 million, **TOLFIN**'s records indicate. (**TOLFIN** is **TARGET**'s Computerised Online Financial Service and Credit-Checking Provider)

**Rontex International's History.**

Rontex International was founded in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) by the Cheungs in 1987.

At that time, the Company was trading in toys and sundries.

It must have done well as a Sole Proprietorship under the name of Ronco Trading Company because, in July 1992, it was in a position to acquire its own office in the Central Business District of Hongkong.

And that was at a time when the commercial property market of the HKSAR was bubbling: Commercial prices were not cheap, at that time.

About 2 years later, Ronco Trading started to engage in trading in garments for the South American market, including Chile.

And that is, just about, where that entity, now known as Rontex International, is today: Trading in garments, with emphasis on the Chilean market.

Page 42 of the Prospectus gives a breakdown of the Company's Turnover by product and by geographical areas of sales:

	Financial Year ended March 31					
	2000		2001		2002	
	\$HK'000	%	\$HK'000	%	\$HK'000	%
<b>Turnover by Product</b>						
Woven Wear	65,005	57	79,200	56	73,628	58
Knitwear	29,233	25	40,872	29	30,246	24
Sweaters	11,982	10	7,041	5	9,612	8
Premium Items	9,108	8	14,914	10	13,252	10
<b>Turnover by Geographic Areas</b>						
Chile	104,708	90.80	122,293	86.20	107,409	84.70
Peru	4,634	4.00	10,842	7.60	12,698	10.00
Canada	2,485	2.20	5,149	3.60	6,065	2.40
Argentina	2,799	2.40	3,743	2.60	1,542	1.20
Others*	702	0.60	Nil	0.00	2,024	1.70
<b>Turnover</b>	<b>115,328</b>	<b>100.00</b>	<b>142,027</b>	<b>100.00</b>	<b>126,738</b>	<b>100.00</b>

\* Brazil, Paraguay, Columbia and Ecuador

It is clear from the above table that Rontex International is a small Company insofar as a garment trader and manufacturer is concerned.

However, over the track-record period, its Bottom Line has been very respectable.

The following are the trading results of this Company over the past ... [CLICK TO ORDER FULL ARTICLE](#)

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