

**NANJING DAHE OUTDOOR MEDIA COMPANY LTD:
IT, CERTAINLY, IS OFF TO A GOOD START**

The most difficult period in any corporate entity's history is when its management determines to expand, because finances, more often than not, become somewhat stretched, at this juncture.

Such would appear to have been the situation at Nanjing Dahe Outdoor Media Company Ltd (Code: 8243, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) when it went public in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on October 31, 2003.

As at August 31, 2003, this Company's total borrowings were about 77.80 million renminbi and comprised:

Secured and Guaranteed, Long-Term Bank Loans	65 million renminbi
Short-Term Bank Loans	5 million renminbi
Unsecured Long-Term and Other Payables	<u>7.80 million renminbi</u>
TOTAL:	<u>77.80 MILLION RENMINBI</u>

No doubt, the above borrowings were at a record level for this Company, which is engaged in the provision of outdoor advertising service in the PRC, proper.

Nanjing Dahe went public on The GEM, the Placing and Offer Prospectus stated, in order to raise about \$HK101.50 million, that money to be used for the following purposes:

1. \$HK67.80 million to expand the Company's existing advertising media network in the PRC, proper, by acquiring additional outdoor advertising space in the following areas of the PRC:
 - a. Jiansu Province
 - b. Zhejiang Province
 - c. Shanghai
 - d. Beijing
 - e. Xinjiang
 - f. Others
2. \$HK13.90 million to be used for the production of multi-media, system-based advertising media and the installation of them in outdoor display areas;
3. \$HK13.90 million to be used to upgrade production facilities by purchasing additional printers; and,
4. \$HK5.40 million to be used for strengthening the Company's service network and computer-network infrastructure by purchasing new computer hardware and software.

The above uses of the proceeds from this flotation are to be spread over the period from 2003 to December 2005, the Prospectus stated, at Page 106.

Nanjing Dahe Offered a total of 250 million, 0.10 renminbi Shares at a price of between 46 cents (Hongkong) and 68 cents (Hongkong) per Share.

Of that number of Shares, 225 million Shares were Placed and 25 million Shares were Offered.

The flotation was not, exactly, a rip-roaring success because the Lead Manager appeared to have had a little trouble in Placing the Shares and had to apply for extra time in order to find a sufficient number of Placees.

At the end of the day, however, the Shares were oversubscribed by about 1.60 times; and, the Share Price was established at 53 cents (Hongkong).

There were only 76 Placees, however, suggesting that there was, and, probably, still is, a very high concentration of the Shares of this Company in a very few number of entities' hands.

It may be said that it is strange that ... [CLICK TO ORDER FULL ARTICLE](#)

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