

**HUALI HOLDINGS (GROUP) LTD:
IT'S NOT A SEXY COMPANY; IT'S JUST A SOLID ONE**

The flotation of Huali Holdings (Group) Ltd (華力控股(集團)有限公司) (Code: 3366, Main Board, The Stock Exchange of Hongkong Ltd) attracted little attention and almost no hoopla at the time of its Initial Public Offering (IPO) in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on October 24, 2005, because it, really, is not a very sexy company.

At the same time, however, Huali Holdings appears to be a very stable and well-managed little company, with a steady growth in profits over the past 4 Financial Years, at least.

It is likely to continue to be a steady money-spinner in the years to come if the Company stays on course and if the recent history of the Company is to be taken as an indication of its future direction.

The Flotation

Huali Holdings Offered a total of only 50 million, 10-cent Shares at a Premium of between \$HK1.15 per Share and \$HK1.25 per Share.

The final Offer Price was \$HK1.30 per Share, representing a Premium of \$HK1.20 over the Par Value, and, after all of the applications for shares were counted, the Directors and Promoter of the Company could not have been particularly overjoyed.

The 50 million Offered Shares were broken down into 5 million Public Offer Shares and 45 million Placing Shares.

The Public Offer Shares were oversubscribed about 2.20 times while the Placing Shares were said to have been *'slightly oversubscribed'*.

The Company netted about \$HK47.70 million at the end of the day, that money, intended to be used as follows:

1. \$HK45 million *'to acquire a piece of land in Shenzhen'*, Guangdong Province, the People's Republic of China (PRC), proper, as opposed to the HKSAR of the PRC; and,
2. \$HK2.70 million *'as general working capital of the Group'*.

The reason that Huali Holdings wants to buy a piece of land in Shenzhen is to build another factory, it is stated in the Company's Prospectus.

Simplicity; no frills; no b.s.; just the facts.

This Company is in the business of designing and manufacturing paper-based packaging containers and materials, including corrugated paperboard and printed cartons, for customers in the PRC, proper.

At present, Huali Holdings has an annual production capacity of about 210,000 tonnes, according to the Prospectus at Page 42.

The history of this Company goes back to Shenzhen Huali Packing and Trading Company Ltd (深圳華力包裝貿易有限公司), a PRC-domiciled company which was founded on March 27, 1985, and is, today, a wholly owned

subsidiary of Huali Holdings (Group) Ltd.
This subsidiary was ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*

 [Site Meter](#)