

**KEE HOLDINGS COMPANY LTD:  
KEEP YOUR POCKETBOOK ZIPPED UP, TIGHTLY**

A manufacturer of zippers may not appeal to everybody, looking at such a company as a potential, long-term investment possibility; and, Kee Holdings Company Ltd () (Code: 2011, Main Board, The Stock Exchange of Hongkong Ltd) certainly does not appeal to this medium.

In fact, other than the Controlling Shareholders of the Company, the 2 Xu Brothers, it is unlikely that Kee Holdings Company Ltd would appeal to anybody except, perhaps, those people that enjoy a high-risk gamble or a short-term flutter on equity markets.

The Company pitched its Placing and Public Offer Prospectus on the last day of 2010 when its Offered a total of 100 million, one-cent Shares at the Offer Price of \$HK1.33 per Share.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) are being Offered 10 million Shares, the remaining 90 million Shares, being Placed.

At the Offer Price of \$HK1.33 per Share, one is asked to pay a premium of 137.50 percent over Adjusted Net Tangible Asset Value Per Share of 56 cents.

The Historical Price-Earnings Multiple, therefore, comes in at about 14.24 times, based on the Net Profit Attributable to Shareholders in respect of the Financial Year, ended December 31, 2009.

That makes the Offer Price of \$HK1.33 very expensive in the opinion of **TARGET** ().

What may be of concern to prospective shareholders of Kee Holdings Company Ltd is that the 2009-Year was a record Financial Year, in terms of the Turnover and of the Bottom Line, and that, for the 6 months, ended June 30, 2010, the Bottom Line came in at the figure that was about 34 percent lower than the comparable figure with regard to the first half of the 2009-Year.

What may one expect for the full Financial Year?

**The Flotation**

Management of Kee Holdings Company Ltd estimates that it will land about \$HK112 million in this **Initial Public Offering (IPO)**.

This amount of money is to be utilised as follows:

1. About \$HK67.20 million for the establishment of a new manufacturing plant in the Hubei Province of the PRC, proper, being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC;
2. About \$HK5.60 million to be used to recruit 18 more new members of the Company's sales staff;
3. About \$HK5.60 million to be used to beef up administrative facilities;
4. About \$HK11.20 million to be used to purchase some more equipment;
5. About \$HK5.60 million to be used for research and development;
6. About \$HK5.60 million to be used to recruit about 50 new staff members in addition to the 18 new members of the sales staff; and,

7. About \$HK11.20 million to be tipped into the Company's General Working Capital Account.

**TARGET** notes that, throughout this Company's 42-month, track-record period, going back to January 1, 2007, Kee Holdings Company Ltd has ... [CLICK TO ORDER FULL ARTICLE](#)

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