

**WINOX HOLDINGS LTD:
PRODUCING STEEL BRACELETS IS THE NAME OF THE GAME**

Winox Holdings Ltd () (Code: 6838, Main Board, The Stock Exchange of Hongkong Ltd) has required the services of 6 independent Underwriters in order to sell 12.50 million, 10-cent Shares in its Public Share Offer in respect of the Public Offer Tranche, only.

This Company launched its **Initial Public Offering (IPO)** on June 30, 2011, with an Offer of 125 million Shares at an Offer Price Per Share, ranging from a low of \$HK1.87 and a high of \$HK2.86.

Of the total number of shares on Offer, 112.50 million Shares are to be Placed, presumably by the Sole Bookrunner and Sole Lead Manager, namely Haitong International Securities Company Ltd (), which is, also, one of the Public Offer Underwriters.

Haitong International Securities Company Ltd is a publicly listed company in its own right, formerly known as Taifook Securities Group Ltd () and being 62 percent owned by NWS Holdings Ltd ().

The 6 Public Offer Underwriters, therefore, are only trying to garner Public Offer Investors to part with \$HK23,375,000 plus brokerage of one percent, a Transaction Levy of 0.003 percent, and a Trading Fee, due to The Stock Exchange of Hongkong Ltd, being 0.005 percent.

To say that such a situation is unusual is to state the obvious.

Winox Holdings Ltd is engaged in the manufacture and sales of stainless steel products, with emphasis on stainless steel watch bracelets on an **OEM (Original Equipment Manufacturing)** basis.

At Page 223 of the Share Offer Prospectus, it is stated that the Company is hoping to raise about \$HK261.10 million (on the basis that the Offer Price Per Share comes in at \$HK2.37, being the midway point of the Indicative Share Price Offer Range), this amount of money will be utilised as follows:

- About \$HK65.30 million *‘to finance the development of the Huzhen Factory ...’*;
- About \$HK169.70 million *‘to acquire equipment and machinery for the Dongfengcun Factory and Huzheng Factory for the expansion of the production capacity of our existing facilities ...’*; and,
- About \$HK26.10 million to be tipped in the General Working Capital Account.

As at December 31, 2010, Winox Holdings Ltd had cash and cash equivalents of about \$HK61.79 million, with bank borrowings, amounting to about \$HK139.47 million.

With regard to bank borrowings, at Page 215 of the Share Offer Prospectus, it is stated that, as at April 30, 2011, the Total Indebtedness of this Company stood at about \$HK130.23 million.

Clearly, Management of Winox Holdings Ltd is in need of an injection of cash; and, what better way is there, going forward, than by obtaining, interest-free money from new shareholders.

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