

**SPEEDY GLOBAL HOLDINGS LTD:
THIS COMPANY HAS
ALL THE ATTRIBUTES OF BEING A LAGGARD**

While [Speedy Global Holdings Ltd \(\)](#) (Code: 540, Main Board, The Stock Exchange of Hongkong Ltd) sought to raise about \$HK80 million from its **Initial Public Offering (IPO)** in order, mainly, to expand and to strengthen its chain of Unisex retail outlets in the People's Republic of China (PRC), in truth, income from this retail side of the Company's business is, and has been, historically, of negligible importance.

It is quite likely to remain of negligible importance, in the opinion of **TARGET ()**.

The most-important side of this Company's business is, by far, being a subcontractor for the Giordano Group of Companies, which, for the 42 months, ended June 30, 2012, represented not less than 61 percent of the Total Annual Revenue of Speedy Global.

Giordano International Ltd () is listed on the Main Board of The Stock Exchange of Hongkong Ltd, being Stock Code Number 709. It has been a major customer of Speedy Global since December of 2004 and is, today, its largest single contributor of revenue.

On scanning the financials of Speedy Global, it does appear to this medium that this Company would have been hard-pressed to raise \$HK80 million from its traditional bankers because, if it could have done so, there would have been little reason to sell 25 percent of its Issued and Fully Paid-Up Share Capital in an IPO. The Flotation

Speedy Global issued its Global Offering Prospectus on December 31, 2012, Offering 150 million, 10-cent Shares at an Indicative Offer Price Range Per Share of between 58 cents and 82 cents.

At the midpoint of the Indicative Offer Price Range, being 70 cents, the Prospectus estimated that it would be able to net about \$HK80.30 million.

This amount of money, the Prospectus stated at Page 268, would be utilized as follows:

- About \$HK30.50 million, representing about 38 percent of the Net Proceeds, *'towards further expanding and strengthening our brands portfolio and setting up Unisex Life multi-brand retail outlets'*;
- About \$HK20.90 million, representing about 26 percent of the Net Proceeds, *'towards further developing the branded apparel retail segment by expanding our retail sales network of Unisex Brands and improving our existing Unisex Outlets which sell products under our Unisex Brands'*;
- About \$HK10.40 million, representing about 13 percent of the Net Proceeds, *'toward brand promotion and marketing activities such as advertising through the media ...'*;
- About \$HK6.50 million, representing about 8.10 percent of the Net Proceeds, *'towards developing different brands and setting up online shops for selling products under our Republic Brands to capture the rapidly growing online sales market'*; and,
- About \$HK12 million, representing about 14.90 percent of the Net Proceeds, *'towards further enhancing our information technology systems and developing our design and development capabilities of our apparel supply chain servicing business.'*

On January 14, 2013, the Company announced that the Offer Price had been determined at 82 cents and that the estimated Net Proceeds would be about \$HK97.80 million.

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