

**OI WAH PAWNSHOP CREDIT HOLDINGS LTD:
CONSIDERING ITS 38 YEARS OF OPERATIONS,
THIS MEDIUM IS UNIMPRESSED**

For the first time in the history of the equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), or even reverting to the founding of The Association of Stockbrokers in Hong Kong; in 1891, which Association graduated into being known as The Hongkong Stock Exchange before the founding of The Stock Exchange of Hongkong Ltd, a pawnshop is seeking a listing on the premier equity market of the territory.

The company, seeking a listing, is the holding company of the group of 12 pawnshops: Oi Wah Pawnshop Credit Holdings Ltd () (Code: 1319, Main Board, The Stock Exchange of Hongkong Ltd).

Oi Wah makes the claim of being the largest such entity in the HKSAR in terms of '*Share of Loans and Advances Granted*', during the 2011 Calendar Year.

On scanning the Share Offer Prospectus of Oi Wah, one is unlikely to be filled with extreme excitement to the extent of, perhaps, opening one's wallet in order to try to obtain some of the 100 million shares on Offer.

In fact, on viewing, forensically, the Profit and Loss Account of this Company, it is unlikely that a savvy investor would even consider, for a second, investing in it.

However, this is, after all, Hongkong, and, in these 416 square miles, strange things have been known to happen.

The Share Offer

Oi Wah is Offering 100 million, one-cent Shares at an Indicative Price Range Per Share, ranging from 75 cents to 98 cents.

Hongkong investors are Offered 10 million Shares, the remaining 90 million Shares on Offer are to be Placed.

The chief reason for Oi Wah's application to have its shares, listed on the premier equity market of the HKSAR, is because the Directors would like, very much, to land about \$HK64.50 million, net of expenses, assuming the Offer Price Per Share is struck at 87 cents, being the midway point of the Indicative Offer Price Range, that amount of money to be utilised as follows:

- About \$HK38.70 million to be used '*for expanding our mortgage loan portfolio and broadening our customer base ...*';
- About \$HK18.10 million to be used '*for expanding our pawn loan portfolio and establishing a new Customer Service Centre ...*';
- About \$HK6.40 million to be used as General Working Capital; and,
- About \$HK1.30 million to be used '*to promote our "Oi Wah" brand name ...*'.

Oi Wah is lashing out about \$HK22.50 million in total expenses (about 35 percent of the estimated Net Proceeds of this **Initial Public Offering [IPO]**) in order to bag the above \$HK64.50 million from prospective investors.

It makes one think, doesn't it?

Why would the Management ... [CLICK TO ORDER FULL ARTICLE](#)

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