

**GOLDENMARS TECHNOLOGY HOLDINGS LTD:
THIS IS THIS YEAR'S SMALLEST OF
THE SMALL INITIAL PUBLIC OFFERINGS**

The flotation of Goldenmars Technology Holdings Ltd () (Code: 8036, The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd) has to be among the smallest flotations on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), seen in many a moon.

The Company expects, only, to net about \$HK20 million.

Meanwhile, the Consolidated Balance Sheet indicates that, as at March 31, 2013, Goldenmars had cash and cash equivalents, amounting to about \$HK103.39 million.

Also, the Placing Prospectus makes it very apparent that the anticipated net proceeds of the flotation will be at least \$HK2.80 million less than the recognised and future expenditures, over the period of the past three years, with regard to listing expenses.

Which, of course, begs the question:

Why in the world did this Company bother to seek a listing on The GEM?

The Flotation

Goldenmars is Placing 60 million, one-cent Shares at an Indicative Placing Price Per Share, ranging from 70 cents to 90 cents.

At the midpoint of the Indicative Placing Price Per Share of 80 cents, the Company estimates that it will net about \$HK20 million.

That amount of money will be utilised for the following purposes:

- About 36.50 percent of the net proceeds, that is about \$HK7.30 million, *'for increasing our market share, through, among others, expanding our sales and marketing team, participating in exhibitions worldwide, placing advertisements in electronic and computer product websites'*;
- About 38.50 percent of the net proceeds, that is about \$HK7.70 million, *'for strengthening our R&D (Research and Development) and design capability, through including but not limited to, conducting researches on the latest technologies with focus on developing new and improving existing products (including but not limited to solid-state drives) and employing more qualified hardware and software engineers as well as product designers'*;
- About 15 percent of the net proceeds, that is about \$HK3 million, *'for purchasing of new machineries, such as quality control and testing machines, with an aim to enhance our quality control and production capability'*; and,
- About 10 percent of the net proceeds, that is about \$HK2 million, for additional Working Capital and other general corporate purposes.

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