

**INTERNATIONAL HOUSEWARES RETAIL COMPANY LTD:  
THIS COMPANY IS A WINNER, WITHOUT QUESTION**

International Housewares Retail Company Ltd () (Code: 1373) is the type of corporate entity that **TARGET** () would describe as being a '*bread-and-butter*' company.

It will never be able to compete with the likes of Apple Incorporated, Microsoft Corporation, Yahoo Incorporated, etc, in terms of the huge profit swings that such companies have been able to record, from time to time, but International Housewares should, always, be able to turn in a fairly decent profit because, unlike the other companies, recently mentioned, it deals in selling basic goods to consumers – who must buy them when needs be such.

This Company is in the retail trade, selling such goods as mops and brooms, rice cookers, knives, forks and spoons, cooking utensils, soaps, tea towels, table cloths, shelving materials, etc, etc, etc.

International Housewares pitched its story in Global Offering Prospectus of September 12, 2013, when it Offered 216 million, 10-cent Shares at the Indicative Offer Price Per Share, ranging from \$HK2.22 to \$HK2.81.

Of the total number of shares on Offer, 36 million shares were designated as being '*Sale Shares*'. The other 180 million Shares were '*New Shares*'.

These 36 million Sale Shares were being sold by Red Home Holding Ltd, a company, domiciled in the Cayman Islands, having been incorporated on February 10, 2010.

Red Home Holding Ltd is wholly owned by EQT Greater China II Ltd, a company that is domiciled on the Island of Guernsey, having been incorporated on September 23, 2005.

In essence, therefore, Red Home Holding Ltd is part of a group of companies that is involved in making investments, with EQT GC II Fund, being the Ultimate Beneficial Owner and Controller of Red Home.

In 2010, EQT Greater China II Ltd acquired a 40-percent stake in International Housewares and, clearly, it wanted to cash in part of its '*chips*' at the time of this **Initial Public Offering (IPO)**.

EQT Greater China II Ltd paid \$HK224 million for its original stake in the Company.

As at today's date, Red Home is the legal owner of 25 percent of the Issued and Fully Paid-Up Share Capital of International Housewares.

The Global Offering Prospectus, at Page 211, states that, at the Offer Price Per Share of \$HK2.52, being the midpoint of the Indicative Offer Price Per Share, it was estimated that it would net the Company about \$HK411.50 million.

Yesterday, the Company announced that the Offer Price had been struck at the highest level of \$HK2.81 and, as such, it would net the Company about \$HK462.20 million after expenses.

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

- Approximately \$HK242.20 million, or about 52.40 percent, *‘to fund our 200 new store openings in Hong Kong and other jurisdictions in the three financial years ending 30 April 2016 ...’*;
- Approximately \$HK43.90 million, or about 9.50 percent, *‘for the ongoing renovation of our existing stores in Hong Kong and Singapore ...’*;
- Approximately \$HK92.90 million, or about 20.10 percent, *‘to improve our logistics and warehousing, including the rental of an additional warehouse in Hong Kong and the rental of property for, and construction of, a warehouse in Guangzhou ...’*;
- Approximately \$HK37.00 million, or about 8.00 percent, *‘to improve and upgrade our information technology systems’*; and,
- Approximately \$HK46.20 million, or about 10.00 percent, to be used for Working Capital.

### **The History and Business of International Housewares**

International Housewares ... [CLICK TO ORDER FULL ARTICLE](#)

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