

**RUNWAY GLOBAL HOLDINGS COMPANY LTD:  
THIS COMPANY HAS A MUDDY ROAD AHEAD OF IT**

**It Lost Money in the First Five Months of the Year**

Clearly, quite a number of people knows a great deal more about the business of this designer, manufacturer and purveyor of apparel products than does **TARGET** () because, on the face of that which has been published in the Placing Prospectus of Runway Global Holdings Company Ltd () (Code: 8309, The **G**rowth **E**nterprise **M**arket (The **GEM**) of The Stock Exchange of Hongkong Ltd), this new listing should have been a nonstarter, in this medium's opinion.

However, one can hardly fart against thunder, can one?

Runway Global Placed 150 million, one-cent Shares at 35 cents Per Share and, last Monday, the Company announced that *'the Placing has been just sufficiently subscribed'*. A total of 124 *'selected professional, institutional and other investors'* ploughed into this **GEM** company, picking up the shares.

The net proceeds of the Share Placements will be utilised, over the next few years, according to Page 251 of the Placing Prospectus, as follows:

1. \$HK8 million to develop further *'the Group's own brand products operation'*;
2. \$HK16.50 million to enhance *'the Group's manufacturing facilities'*;
3. \$HK7.50 million to strengthen *'the Group's design capability'*; and,
4. \$HK2.50 million to be tipped into the Working Capital Account.

**The History and Business**

This Company was founded by Messrs Hubert Tien () and Farzad Gozashti, an ethnic Chinese and an American, respectfully.

On October 12, 2001, these two gentlemen incorporated Runway Global Ltd () in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

About 18 months later, Runway Fashions Incorporated was established in California.

About 11 months later, Jiaxing Runway Global Garment Ltd ([ ]) was incorporated in the PRC, proper, being separate and distinct from the HKSAR.

Today, 12 years after the founding of the Company, a total of some 410 permanent, full-time employees are on the Company's payroll.

A **'BUSINESS MODEL OVERVIEW'** is given at Page 90 of the Placing Prospectus:

*'The Group, founded in Hong Kong in 2001, principally designs, manufactures and sells apparel products with a focus on women's fashion outerwear such as coats and jackets, dresses, activewear, pants and jeans.'*

*'The Group is headquartered in Hong Kong and operates its Jiaxing Factory in the PRC. The Group also operates four showrooms in New York, Los Angeles, Hong Kong and the Jiaxing Factory respectively. ...*

*'The ... [CLICK TO ORDER FULL ARTICLE](#)*

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