

**SUNFONDA GROUP HOLDINGS LTD:
THE WEALTHY WILL, ALWAYS, WANT THE BEST**

Everywhere in the world, from time immemorial, the wealthy of a country have always striven to own the best that their society has to offer.

Women have, always, wanted to own the biggest, the finest and the flashiest diamonds that money can buy; men have, always, striven to own the biggest and the best houses in the best parts of the cities in which they live; and, the teenage children of the wealthy, throughout the ages, have, always, wanted to have what they considered the best of their little worlds, from owning the fastest and the best-looking horses in the days when domesticated animals were the only means of transportation, to today's world when the most-expensive and the most-exotic, motor cars are considered a mark of young person's status in society.

Which brings **TARGET** () to the **Initial Public Offering (IPO)** of Sunfonda Group Holdings Ltd () (Stock Code: 1771, Main Board, The Stock Exchange of Hongkong Ltd).

Sunfonda Group is one of the latest companies to seek a listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

This Company is selling, in the vernacular of the Americans, '*just what the doctor ordered*' – some of the most-expensive, luxury and super-luxurious motor cars to the wealthy of the second-largest economy of the world.

Sunfonda Group issued and disseminated its Global Offering Prospectus on the last day of February.

In this document, it is stated that 150 million, \$US0.0001 Shares are for sale at the Indicative Offer Price Per Share, ranging from a low of \$HK3.65 to a high of \$HK4.55.

In a summary of the business of this Company, it is stated:

'We were the second largest luxury and ultra-luxury automobile dealership group in Northwestern China in terms of the number of dealership outlets for luxury and ultra-luxury automobile brands as of December 31, 2013 ... In addition, we were the largest automobile dealership group in Xi'an City and Shaanxi Province in terms of revenue in 2012 ... '.

The IPO

Based in the midpoint of the Indicative Offer Price Per Share, being \$HK4.10, Management expects to net about \$HK536.80 million.

That amount of money is earmarked for the following purposes, according to Page 241 of the Global Offering Prospectus:

- About 85 percent of the net proceeds, that is about \$HK456.30 million, to expand the Company's outlets ...

'As part of our expansion plan and in order to further strengthen our strong market

presence, we plan to open 14 new outlets by the end of 2014, including five outlets for luxury and ultra-luxury brands such as Ferrari/Maserati, Volkswagen Imported, Audi and Hongqi in Northwestern China, one Maserati 4S dealership store, one Maserati showroom and one Volkswagen Imported 4S dealership store in Taiyuan in Shanxi Province, one Audi 4S dealership store in Beijing, one Volkswagen Imported 4S dealership store in Wuxi in Jiangsu Province, one Audi 4S dealership store in Yangzhou in Jiangsu Province, one Volkswagen Imported showroom and one Chrysler 4S dealership store in Suzhou in Jiangsu Province. We also plan to open a Shanghai Volkswagen 4S dealership store in Xi'an in Shaanxi Province.';

- About five percent of the net proceeds, that is about \$HK26.80 million, to upgrade, maintain and refurbishment of the Company's existing outlets; and,
- About 10 percent of the net proceeds, that is about \$HK53.70 million, to be used as Working Capital.

The Business of Sunfonda Group

Sunfonda Group ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.