

**E LIGHTING GROUP HOLDINGS LTD:
THIS YEAR IS GUARANTEED TO BE A LOSS-MAKER**

The company has no appreciable debt and, in the 2014 Financial Year, ended March 31, its Turnover was a little more than \$HK79.16 million with its Net Profit Attributable to Shareholders, coming in at about \$HK5.86 million.

But, with regard to the Current Financial Year, ending March 31, 2015, the likelihood is very high that both the Turnover and the Net Profit will slide, materially.

TARGET () has determined that the situation at this company in respect of this Year will result in Management, having to bite the bullet and announcing a Profit Warning – because the days of the Bottom Line, being in the black, will be relegated to history.

This is all spelt out, expressly and implicitly, in the Placing Prospectus of E Lighting Group Holdings Ltd () (Code: 8222, The **G**rowth **E**nterprise **M**arket [The **GEM**] of the Stock Exchange of Hongkong Ltd).

E Lighting told its story in the Company's Placing Prospectus, dated September 22, 2014.

The Company has Placed 100 million, one-cent Shares at the Placing Price Per Share, being 50 cents.

(Initially, the Indicative Offer Price Per Share ranged between a low of 50 cents and a high of 60 cents, but last Friday, September 26, the Company announced that the Offer Price had been struck at 50 cents.)

E Lighting estimates that it will net about \$HK34.40 million in this **Initial Public Offering (IPO)**, that modest amount of money, being intended to be used, over the next three years, for the following purposes:

1. \$HK9.80 million for the expansion of the Company's **LED (Light-emitting Diode)** specialty store retail floor area;
2. \$HK9.80 million for the expansion of the Company's lighting store retail floor area;
3. \$HK9.80 million for the expansion of the Company's lighting and furniture combined store retail area;
4. \$HK2.20 million to be used for marketing and promotion purposes;
5. \$HK2.40 million to be used to strengthen logistic management; and,
6. \$HK0.40 million to be used as Working Capital.

The reasons that have been given for Management, pitching this IPO, are explained at Page 203 of the Placing Prospectus as follows:

'The reason for the Placing (of 100 million New Shares) is to enhance our capital base and provide us additional funding to pursue the implementation plans under the sub-section headed "Business Objectives and Strategies — Implementation Plans" of this prospectus.

‘Our Directors believe the estimated net proceed from the Placing of HK\$39.2 million (after deducting the related underwriting fees and expenses payable in relation to the Listing of approximately HK\$15.8 million) will help our Group to implement its business strategies. In addition, our Directors expect the Listing will bring the following additional benefits to our Group and our shareholders:

- 1. access to the capital market for future growth;*
- 2. assist our Group in positioning itself as the point of choice for quality, innovative, design branded lighting and designer label furniture in Hong Kong; and*
- 3. enhance the transparency of our Group’s operation.’*

The Business of E Lighting

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