

**STEED ORIENTAL (HOLDINGS) COMPANY LTD:  
WHO WERE THOSE MAD PEOPLE  
WHO PAID \$HK12 PER SHARE  
TO BUY INTO THIS COMPANY ?**

When the share price of Steed Oriental (Holdings) Company Ltd ([ ]) (Code: 8277, The Growth Enterprise Market [The **GEM**] of The Stock Exchange of Hongkong Ltd) rose to \$HK12.00, up 900 percent on the first day of trading in the shares of this company, most sane people must have been agog on seeing the share price head for this equity market's stratosphere.

The low of the trading day, last Monday, was \$HK5.63, representing a swing of 53 percent from the share price's zenith.

The following day – last Tuesday – the share price came tumbling down by more than 10 percent within the first few minutes of the opening of the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

By the close of trading, last Tuesday, however, the share price had given up 70 percent of Monday's closing level, ending the day at \$HK1.69.

In truth, the share price of Steed Oriental cannot be worth anything near the Placing Price of \$HK1.20, let alone last Tuesday's closing price of \$HK1.69.

One has to ponder: Who is playing silly buggers?

**The Initial Public Offering (IPO)**

Steed Oriental was the first, Initial Public Offering (**IPO**) in the Year of the Sheep/Goat/What-Have-You – various people seem uncertain as to which animal the zodiac for the new Chinese Year is supposed to represent.

The Company pitched its Placing Prospectus on February 12, 2015, when Management determined to Place 50 million, one-cent Shares at \$HK1.20 per Share.

On February 18, 2015, the Company announced the results of the 50-million Placing Shares that had been '*just sufficiently subscribed*'.

The Company netted about \$HK50.10 million from the cash-raising exercise, that amount of money to be allocated as to:

1. \$HK27.80 million (about 55.50 percent of the net proceeds) to the construction of a new production plant in the PRC, being separate and distinct from the HKSAR;
2. \$HK17.50 million (about 34.90 percent) for the acquisition of machinery and equipment for the new production plant; and,

3. \$HK4.80 million (about 9.60 percent) to be used as additional Working Capital.

### **The Business**

Steed Oriental is engaged in the manufacture and sales of customised plywood products.

The Company was founded on October 13, 2003, with the incorporation in the PRC of Jiangmen Changda Wood Products Company Ltd ().

The \$HK5 million that was the original, Registered Capital of this company was paid by two members of the Wong Family – Ms Wong Sut Keng () and Ms Wong Hang Kuen () – as to 51 percent, and 49 percent of the Registered Capital was contributed by an unnamed ... [CLICK TO ORDER FULL ARTICLE](#)

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