

**COWELL e HOLDINGS INCORPORATED:
THIS COMPANY IS ALMOST ENTIRELY DEPENDENT
ON THE CAPRICES OF APPLE INCORPORATED**

Nobody would dare to debate the fact that the successful, multinational companies, such as Microsoft Corporation, International Business Machines Corporation (**IBM**),

Hewlett-Packard Company (**HP**) and Sony Corporation, just to name four, well-known international marques, have created vast amounts of wealth for millions of people, around the world.

In Taiwan, Hon Hai Precision Industry Company Ltd () has, over the years, become the world's most-important contractor for American, European and Japanese companies in the fields of electronic devices and information technology.

Hon Hai Precision Industry Company Ltd is, perhaps, not as well known as its trading entity: Foxconn Technology Group.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Foxconn is known to equity investors as FIH Mobile Ltd () (Code: 2038, Main Board, The Stock Exchange of Hongkong Ltd).

Founded in 1974 in Taiwan by the current Chairman, Mr Terry Gou Tai Ming (), Hon Hai Precision Industry has a workforce, worldwide, numbering some 1.23 million employees.

Its Net Annual Income is in excess of \$US3.55 billion (about \$HK27.51 billion).

But, today, there is a new '*kid*' on the block – and he is, clearly, about to try to challenge the likes of Foxconn Technology Group.

The kid's name is Cowell e Holdings Incorporated () (Code: 1415, Main Board, The Stock Exchange of Hongkong Ltd).

The Initial Public Offering (IPO)

Cowell e Holdings issued its Global Offering Prospectus, last Thursday (March 19, 2015), Offering 208 million, \$US0.004 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK4.00 to a high of \$HK5.75.

Of the total number of Shares on Offer, 124.80 million Shares (about 60 percent of the total Share Offering) are those, being Offered by Hahn and Company Eye Holdings Company Ltd, a South Korean company that is one of the Controlling Shareholders of Cowell e Holdings.

Hahn and Company Eye Holdings Company Ltd will gross between \$HK499 million and \$HK718 million with regard to this flotation on the premier equity market of the HKSAR.

As for Cowell e Holdings, it has estimated that, assuming that the Offer Price Per Share is \$HK4.88, being

the midpoint of the Indicative Offer Price Per Share, it will net about \$HK340.40 million.

That amount of money, being rather modest, considering the size and scope of this publicly listed Company, shall be utilised as follows, according to Page 213 of the Global Offering Prospectus:

- *‘as part of our overall business strategy, we intend to invest approximately 79% of the net proceeds to us (approximately HK\$269.0 million) for the enhancement and expansion of our production capacity as follows:*
 - (i) *approximately 66% of the net proceeds to us (approximately HK\$225.8 million) for enhancing the production capacity of the existing production lines for fixed-focus camera modules and to enable us to begin manufacturing high-end camera modules. As a result of such investments, which are expected to take place in 2016, and other capital expenditures (which we intend to fund through cash flow from operating activities and available banking facilities), our annual production capacity for camera modules is expected to increase by approximately 29% by the first half of 2016 (as compared to October 31, 2014);*
 - (ii) *approximately 13% of the net proceeds to us (approximately HK\$43.2 million) to enhance existing production lines to produce high-end COB camera modules by improving our end-of-line testing processes through installation of more advanced machinery used in quality control and testing procedures (without increasing our overall production capacity for COB camera modules), which is expected to be completed by the first half of 2015;*
- *Approximately 12% of the net proceeds to us (approximately HK\$40.8 million) for the repayment of a term bank loan for working capital from HSBC with a maturity of November 2016 and an interest rate of 3.2%; and*
- *Approximately 9% of the net proceeds to us (approximately HK\$30.6 million) for working capital and other general corporate purposes’.*

The History and Business of Cowell e Holdings

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