

**ON REAL INTERNATIONAL HOLDINGS LTD:
EXPECT THE WORST FOR THE NEXT COUPLE OF YEARS**

On Real International Holdings Ltd () (Code: 8245, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd), one of the latest companies to be listed on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is guaranteed to turn in much-lower Net Profits Attributable to Shareholders in respect of the Current Financial Year.

This is made abundantly clear on scanning the Placing Prospectus, dated September 18, 2015.

If, as is well expected and having been confirmed by Senior Management, that the Bottom Line for the Financial Year, ending March 31, 2016, shall be considerably lower than that of the 2015-Year, it will represent two consecutive Years of declining profits.

Thus, Management has determined that now is the time to seek a listing on The GEM.

The Initial Public Offering (IPO)

On Real International Placed 120 million, one-cent Shares at the Indicative Placing Price Per Share, ranging from a low of 40 cents to a high of 60 cents.

Last Tuesday (September 29, 2015), it was announced that the Placing Price had been struck at 57 cents Per Share.

In an announcement in respect of the Allotment Results, Mr Tam Wing Ki (), the Executive Chairman, explained that the 120 million Shares had been '*moderately oversubscribed and have been conditionally allocated to a total of 106 selected professional, institutional and other investors*'.

Chairman Tam Wing Ki, also, stated that the Company expects to net approximately \$HK31.90 million from this cash-raising exercise.

The total cost of this GEM Listing has been \$HK35.50 million, Page 305 of the Placing Prospectus has stated.

That figure is \$HK3.60 million more than the Net Proceeds from the Placing of 120 million shares!

What madness is this!

Or is it the madness that comes from fear?

The net proceeds from the share placements are expected to be utilised for the following purposes:

- Approximately, \$HK22.40 million, representing about 70.10 percent, '*will be used for strengthening the Group's product portfolio*';
 - Approximately, \$HK18.30 million, representing about 57.50 percent, '*will be used for*

developing new product’;

- Approximately, \$HK2.50 million, representing about 7.70 percent, ‘*will be used for purchasing tooling*’; and,
- Approximately, \$HK1.60 million, representing about 4.90 percent, ‘*will be used for developing IoT (Internet-of-Things) connectivity*’;
- Approximately, \$HK2.60 million, representing about 8.00 percent, ‘*will be used for enhancing the Group’s information management system*’;
- Approximately, \$HK4.10 million, representing about 12.80 percent, ‘*will be used for strengthening the Group’s marketing efforts*’; among which:
 - Approximately, \$HK2.80 million, representing about 8.80 percent, ‘*will be used for recruitment of one senior management staff*’;
 - Approximately, \$HK0.70 million, representing about 2.20 percent, ‘*will be used for hiring sales agent*’; and,
 - Approximately, \$HK0.60 million, representing about 1.80 percent, ‘*will be used for participation in exhibitions*’;
- Approximately, \$HK2.80 million, representing about 9.10 percent, ‘*will be used towards working capital and other general corporate purposes*’.

The Business of On Real International

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