

**SHUN WO GROUP HOLDINGS LTD:  
FIVE CUSTOMERS BRING IN NEARLY ALL OF THE BACON**

There is an old idiom that states that it is never a good idea to put all of one's eggs in one basket.

Clearly, this idiom needs no extrapolation since it is self-explanatory.

But, in the case of Shun Wo Group Holdings Ltd () (Code 1591, Main Board, The Stock Exchange of Hongkong Ltd), this is exactly that which Management has done: For the past 20 years, it has locked into the fortunes of just a handful of customers.

One need not speculate as to what would happen should Senior Management of Shun Wo Group fall out of favour with just one of its principal customers.

Shun Wo Group is one of the two 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).

The Company published and disseminated its Public Offer and Placing Prospectus on September 12, 2016.

**The Initial Public Offer (IPO)**

In an IPO, Shun Wo Group has Offered one billion, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 12 cents to a high of 14 cents.

Of the one billion Shares on Offer, 200 million Shares are those, belonging to May City Holdings Ltd (), a company, domiciled in the **British Virgin Islands (BVI)**.

May City Holdings Ltd is beneficially owned by the following three (and only) Executive Directors of the Company, namely:

Mr Wong Yan Hung ()	40 percent
Mr Tony Wong Yee Pong ()	30 percent
Mr Lai Kwok Fai ()	30 percent

HKSAR Investors are being Offered 100 million Shares and 900 million Shares are to be Placed with International Investors.

At the midpoint of the Indicative Offer Price Per Share, being 13 cents, Management estimates that it will net about \$HK84.20 million at the end of the day.

This amount of money is scheduled to be utilised as follows:

1. Approximately, \$HK55 million, representing about 65.30 percent of the net proceeds, '*will be used for enhancing our machinery by acquiring additional excavators, cranes and hydraulic breakers in the next 3 years in order to cope with our business development, strengthen our brand name and increase our overall efficiency, capacity and technical capability in performing foundation works as well as our ability to cater for different needs and requirements of different customers*';

2. Approximately, \$HK15 million, representing about 17.80 percent of the net proceeds, *‘will be used for strengthening our manpower by recruiting additional staff, including project management and execution staff as well as human resources, administrative and accounting staff, in the next 3 years’*;
3. Approximately, \$HK6.20 million, representing about 7.40 percent of the net proceeds, *‘will be used for increasing our marketing efforts over the next 4 years by setting up dedicated web pages for marketing our services, displaying our company name prominently in our work sites and on our plant and machinery, placing advertisements in industry publications, sponsoring more business events and charity functions organized by our customers, sending more promotional materials to our existing and potential customers and approaching potential customers more actively to secure new business opportunities’*; and,
4. Approximately, \$HK8.00 million, representing about 9.50 percent of the net proceeds, *‘will be used as out general working capital.’*

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