

**MANSION INTERNATIONAL HOLDINGS LTD:
MINORITY SHAREHOLDERS ARE UNLIKELY, EVER,
TO RECEIVE DIVIDENDS FROM THIS COMPANY**

With a Gearing Ratio in excess of 163 percent and with reliance on, literally, just a handful of customers for the bulk of the company's bread and butter, so to speak, Ms Fung Sau Ying () took her company public on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

This 60 year-old lady is the Chairlady of Mansion International Holdings Ltd () (Code: 8456, The Growth Enterprise Market [The **GEM**], The Stock Exchange of Hongkong Ltd).

Prior to the launching of this Company's Share Offer Prospectus on January 12, 2018, Ms Fung Sau Ying owned all the Shares of Mansion International Holdings Ltd, but, today, having successfully offloaded 25 percent of the Issued Share Capital to the Investing Public, her equity holdings have been reduced to 75 percent, that very material equity holding, being held via Joyful Cat Ltd, a company, domiciled in the British Virgin Islands (**BVI**), being wholly owned by her.

The Initial Public Offering (IPO) Of Mansion International Holdings Ltd

Mansion International Holdings Ltd made a Share Offering of 100 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 62 cents to a high of 78 cents.

Investors of the HKSAR were invited to subscribe to 10 million Shares (the Public Offer tranche) and the remaining 90 million Shares (the Placing tranche) were reserved for select, Corporate/Professional Investors by way of Share Placements.

On January 25, 2018, it was announced that the Offer Price Per Share had been struck at 70 cents and that Management anticipated that it would net about \$HK44 million from this cash-raising exercise.

The Public Offer tranche, one was informed in the announcement of January 25, had been '*significantly over-subscribed*', equivalent to approximately 19.60 times the number of Shares on Offer.

In respect of the Placing tranche, the 90 million Shares had been '*moderately over-subscribed*', equivalent to about 1.06 times, one was told.

At Page Nine of this public announcement, Management informed its new shareholders as to its present intentions in respect of the utilisation of the net proceeds of the IPO:

- Approximately, \$HK15.70 million, that is about 35.70 percent, '*will be used for upgrading the Group's production facilities. The Company plans to acquire two sets of colour digital printing machine and apply an extensive RFID (Radio-Frequency Identification) technology in their production facilities. The Company also intends to upgrade their existing production facilities by replacement*';
- Approximately, \$HK13.50 million, that is about 30.70 percent, '*will be used for enhancing the sales and marketing effort of the Group*';
- Approximately, \$HK6.80 million, that is about 15.50 percent, '*will be used for strengthening the Group's research and development capabilities for the PRC market*';
- Approximately, \$HK4.50 million, that is about 10.20 percent, '*will be used for settlement of a revolving bank loan carrying interest at a rate of HIBOR (Hongkong Interbank Offered Rate) +2.7% per annum*'; and,
- Approximately, \$HK3.50 million, that is about 7.90 percent, '*will be used for working capital of the Group*'.

As at November 30, 2017, Mansion International Holdings Ltd owed its bankers \$HK63,977,000.

In addition, it owed \$HK10 million to Ms Fung Sau Ying so that the total indebtedness of the Company was about \$HK74,165,000, including finance lease liabilities of \$HK188,000.

With Net Assets of about \$HK40,736,000, as at August 31, 2017, the Gearing Ratio, according to the Share Offer Prospectus, was 163.50 percent.

However ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.