

**SHANGHAI REALWAY CAPITAL ASSETS MANAGEMENT COMPANY LTD:
POSITIVE ASPECTS ARE IN ABUNDANCE, BUT
THERE ARE QUESTIONABLE ASPECTS, TOO**

For would-be entrepreneurs, desirous of establishing a new corporate entity with the prime purpose of obtaining a Net Profit Margin of not less than 50 percent per annum, then, they would be advised to have a chat with Senior Management of Shanghai Realway Capital Assets Management Company Ltd () (Code: 1835, Main Board, The Stock Exchange of Hongkong Ltd).

Because this Company, during the past two Financial Years, ended December 31, 2017, has managed to average a Net Profit Margin of 50.68 percent.

This Company is in the business of managing real-estate investment funds in the People's Republic of China (PRC), proper, being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC.

And, a very large percentage of the bacon is brought home due to the Company's five, most-important customers that, over the past two Financial Years, contributed to the Revenue of Shanghai Realway Capital Assets Management Company Ltd of between 77.50 percent and 64.10 percent.

Should this medium exclaim, '*Wow!*', or, alternatively, '*Whoops!*'

The Share Offer Of Shanghai Realway Capital Assets Management Company Ltd

Shanghai Realway Capital Assets Management Company Ltd published and disseminated its Share Offer

Prospectus in the HKSAR on October 31, 2018.

The Company Offered 38.34 million, New ‘H’ Shares of the Nominal Value Per Share of one renminbi.

The Indicative Offer Price Per Share ranged between a low of \$HK5.00 to a high of \$HK7.00.

HKSAR Investors were Offered the opportunity to subscribe to 3,834,000 New ‘H’ Shares and 34,506,000 New ‘H’ Shares were reserved for institutional, professional and/or select, well-heeled Investors by way of a tranche of Placing Shares.

At Page 229 of the Share Offer Prospectus, Management stated its intentions as to how the net proceeds of **Initial Public Offering (IPO)** would be utilised on the assumption that the Offer Price Per ‘H’ Share were struck at \$HK6.00, being the midpoint of the Indicative Offer Price Per Share.

However, on Monday, November 12, 2018, Management announced that the Offer Price Per Share had been struck at \$HK5.00 – the lowest, acceptable level of the Indicative Offer Price Per Share – and that the net proceeds from the IPO *‘is estimated to be approximately HK\$142.90 million.’*

Management went on to state that the net proceeds would be utilised in accordance with the purposes, set out in the Share Offer Prospectus at Page 229:

1. Approximately, 60 percent, that is about \$HK85.74 million (about 76.50 million renminbi), *‘for setting up new FOFs (Fund of Funds, flexible funds, structured and managed, or co-managed, by the Company). We expect that our investment will account for less than 10% of the total size of each new FOF’*;
2. Approximately, 30 percent, that is about \$HK42.87 million (about 38.25 million renminbi) *‘for geographical expansion of our business in the PRC by setting up new subsidiaries (relating to the setting up of representative offices) and expansion of representative offices (including the enhancement of our existing representative offices)’*; and,
3. The remaining amount of approximately 10 percent, that is about \$HK14.29 million (about 12.75 million renminbi) *‘will be used to provide funding for our working capital and other general corporate purposes’*.

The Business Of Shanghai Realway Capital Assets Management Company Ltd

Shanghai Realway Capital Assets Management Company Ltd has been in business for the past eight years, according to Page 106 of the Share Offer Prospectus.

The Founder of the Company ... [CLICK TO ORDER FULL ARTICLE](#)

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