

NARNIA (HONGKONG) GROUP COMPANY LTD:**LOOK BEFORE YOU LEAP !**

The Chairman Was Forced To Sell Most Of The Family's 'Silver'

In Order To Make The Company Look More Appealing

A cursory glance at the financials, contained in the Consolidated Profit and Loss Account of Narnia (Hongkong) Group Company Ltd ([]) (Code: 8607, The Growth Enterprise Market [the GEM], The Stock Exchange of Hongkong Ltd), might give the unwary the impression that this Company's fortunes were headed for bigger and better times in the very near future.

Or, in the vernacular of loquacious, North American financial analysts, the Company looks as though it is on a roll.

But for those investors who are knowledgeable and cannot, easily, be taken in by the North-American bunco artists, being well acquainted as to how companies' statistics have the ability to confound the ignorant and unobservant, either by accident or design, they would take a very different view of the financials of this Company.

(For more about this matter, please refer to the section, labelled in this analysis, as, '*The Financials Of Narnia [Hongkong] Group Company Ltd*'.)

The Initial Public Offering (IPO) Of Narnia (Hongkong) Group Company Ltd

Narnia (Hongkong) Group Company Ltd published and disseminated its Share Offer Prospectus on February 13, 2019.

Management Offered a total of 200 million, \$US0.001 Shares at the Indicative Offer Price Per Share, ranging from a low of 40 cents to a high of 80 cents.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered 20 million Shares (the Public Offer Shares) with 180 million Shares, being reserved to be Placed, presumably with Qualified Institutional Investors, Professional Investors and/or select Well-Heeled Individual Investors as well as the corporate entities under their immediate control (the Placing Shares).

On Monday, February 25, 2019, in a public announcement as to the Allotment Results, one was informed that the Offer Price Per Share had been struck at the lowest-acceptable price of 40 cents.

Management stated that it anticipated to net about \$HK44.20 million from the Share Offer.

At Page Three of the February 25 Announcement, it was stated that the Public Offer Shares tranche had been over-subscribed by approximately 10.30 times in respect of the 20 million Shares on Offer, and that the Placing Shares tranche had been over-subscribed by about 1.30 times in respect of the 180 million Shares, reserved for this class of Investor.

At Pages Six and Seven of the February 25 Announcement, one was informed as to how the net proceeds of the Share Offer were intended to be utilised:

- Approximately, 25.20 million renminbi, equivalent to about \$HK29.40 million, representing approximately 66.60 percent of the net proceeds from the Share Offer, *'will be used for the construction of our new weaving factory adjacent to our existing weaving factory at Hongqi Village, Jiapu Town () and (the) purchase of machinery, equipment and ancillary facilities ...'*;
- Approximately, 8.90 million renminbi, equivalent to about \$HK10.40 million, representing approximately 23.60 percent of the net proceeds from the Share Offer, *'will be used for the acquisition of new printing and dyeing machinery, equipment and ancillary facilities at our existing printing and dyeing factory at Industrial Park, Jiapu Town () ...; and,*
- Approximately, 3.80 million renminbi, equivalent to about \$HK4.40 million, representing approximately 9.90 percent of the net proceeds from the Share Offer, *'will be used for working capital and general corporate purposes.*

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The History And Business Development Of Narnia (Hongkong) Group Company Ltd

The history of Narnia (Hongkong) Group Company Ltd can be traced back to the incorporation in the PRC, proper, being separate and distinct from the HKSAR of the PRC, of Huzhou Narnia Industry Company Ltd ().

That event took place on August 5, 2002, according to the Share Offer Prospectus of the Company.

Mr Dai Shun Hua () is named as having been the Founder of Huzhou Narnia Industry Company Ltd, along with (unnamed) business partners, all of whom were said to have been Independent Third Parties. ... [CLICK TO ORDER FULL ARTICLE](#)

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