

TARGET

Intelligence Report

VOLUME XXII No. 26

T U E S D A Y

February 11, 2020

FORWARD FASHION (INTERNATIONAL) HOLDINGS COMPANY LTD:

FROM WHERE CAN MANAGEMENT GO TO FIND HONEY ?

Not everybody in this world of ours has psychic powers, but it does appear that Senior Management of Forward Fashion (International) Holdings Company Ltd ([I]) (Code: 2528, Main Board, The Stock Exchange of Hongkong Ltd) had more than an inkling of things to come at the time that the Company pitched its Global Offering Prospectus.

At Pages 55 and 56 of the Global Offering Prospectus that was published and disseminated on or about Monday, December 30, 2019, it was stated:

‘An outbreak of infectious diseases, natural disasters and other travel disruptions could reduce the number of visitors to Greater China and adversely affect our business and results of operations.

‘Past incidents of outbreak of H1N1 influenza, avian flu and severe acute respiratory syndrome in Greater China have had a negative impact on people’s willingness and ability to travel to or within the region, as well as a negative impact on economic activity within the region. A future outbreak of a highly infectious disease or fears concerning such an outbreak could potentially reduce the number of visitors to the region. An outbreak might also disrupt our ability to adequately staff our business and could disrupt our operations. Any new outbreak of such highly infectious diseases could thus have a material adverse effect on our business, financial condition, results of operations and cash flow.

‘In addition, natural disasters, inclement weather, acts of terrorism or regional political events could have a negative impact on international travel and leisure expenditures, including for lodging, gaming, shopping and tourism. We cannot predict the extent to which travel disruptions as a result of any such events would adversely affect our business, financial condition, results of operations and cash flow. For example, Macau is susceptible to severe typhoons, and a major typhoon or other natural disaster in Macau could severely disrupt our business and adversely affect our results of operations.’

Sadly, the above-mentioned warning resulted in the bells of truth being rung – with the advent of the disastrous coronavirus that has caused the deaths of more than 909 people, to date, with more than 40,235 people, having been confirmed as being contaminated since the virus was first officially diagnosed on or about in early December 2019 in Wuhan, the capital of the Hubei Province of the **People’s Republic of China (PRC)**.

Today, most international airlines have refused to fly to the PRC, proper, being separate and distinct from the **Hongkong Special Administrative Region (HKSAR)** and the **Macau Special Administrative Region (MSAR)**, and, in addition, a number of countries have shut their doors to tourists and business people that have visited any part of the PRC.

In some countries, the human population is proscribed from egress by air or by sea.

The **World Health Organisation (WHO)** has labelled the coronavirus as being a ‘Public Health Emergency of International Concern.

From Wuhan, the virus is known to have spread to more than 30 countries, round the world.

In view of the aforementioned, it is obvious that the financials of Forward Fashion (International) Holdings Company Ltd shall be hit hard in the Current Financial Year unless a vaccine is found, post-haste.

The Initial Public Offering (IPO) Of

Forward Fashion (International) Holdings Company Ltd

Forward Fashion (International) Holdings Company Ltd published and disseminated its Global Offering Prospectus in the HKSAR on Monday, December 30, 2019.

The Company Offered a total of 100 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.70 to a high of \$HK2.10.

HKSAR Investors were Offered the opportunity to subscribe to 10 million Offer Shares (the HKSAR Offer Shares tranche) and International Investors – presumably Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investor has equity control – were induced to subscribe to 90 million Offer Shares via Share Placements (the International Placing Shares tranche).

On Friday, January 10, 2020, Management caused to have published an Announcement in respect of (the) Offer Price and Allotment Results.

Management stated that the Offer Price Per Share has been struck at \$HK2.00 and that the Net Proceeds of the Global Offering were expected to come in at about \$HK140 million.

With regard to the HKSAR Offer Shares tranche, it was stated that the Company had received 14,309 valid applications for Offer Shares, representing 176,604,000 Shares, equating to 17.70 times the total number of Shares initially available at this tranche.

As for the International Placing Shares tranche, it had been ‘*slightly over-subscribed*’, one was informed, with valid applications for 102,484,000 Shares, representing about 1.14 times the total number of International Placing Shares, initially available under the International Placing Shares tranche.

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