

**BOSIDENG INTERNATIONAL HOLDINGS LTD:
THIS IS A BREAD-AND-BUTTER COMPANY,
NOW EXPECTING SOME 'JAM' FOR THE 2008 FINANCIAL YEAR**

Bosideng International Holdings Ltd () (Code: 3998, Main Board, The Stock Exchange of Hongkong Ltd) is riding on the crest of the economic wave of the People's Republic of China (PRC) – and it would appear that it will continue to ride this wave for some time to come.

The Company is forecasting, in its Global Offering Prospectus, dated September 27, 2007, that its Net Profit Attributable to Shareholders for the Current Financial Year, ending March 31, 2008, is unlikely to be less than 950 million renminbi.

That Bottom Line, if achieved (and, since this is stated in the Company's Prospectus, it better be achieved), represents an increase, Year-On-Year, of about 55 percent.

Comparing the forecast, anticipated Net Profit Attributable to Shareholders of about 950 million renminbi for the 2008-Year with the situation that existed, as at March 31, 2006, this Company, which specialises in manufacturing down apparel in the PRC – jackets and what-have-you, filled with feathers and any other soft, fluffy material – is looking at a growth rate of about 87 percent over the period of 3 Financial Years.

Unlike many companies that come to the Hongkong Special Administrative Region (HKSAR) of the PRC in order to raise money on The Stock Exchange of Hongkong Ltd, Bosideng International appears to be a bread-and-butter company whose products are unlikely to be unwanted in the next century, let alone the next decade.

In fact, the goods, being produced at this Company's outsourced factories, are very traditional garments, having been worn by Chinese people just about throughout the 5,000-year history of the country.

The Flotation

The Global Offering of Bosideng International was 1,988,000,000, \$US0.00001 Shares at a maximum Offer Price of \$HK3.28 per Share.

The HKSAR Offer tranche was 198.80 million Shares and the International Placing Tranche was 1,671,200,000 Shares, issued by the Company, with The HSBC Private Equity Fund 3 Ltd, taking the opportunity to unload 118 million of its Shares by way of International Placement.

Page 198 of the Prospectus states that the Company wants to raise about \$HK5,225,000,000 for the following purposes:

1. Between 30 percent and 40 percent (between \$HK1,567,500,000 and \$HK2,090,000,000) to be used for expansion of business in the PRC, proper, being distinct from the HKSAR, as well as overseas;
2. Between 15 percent and 20 percent (between \$HK783,750,000 and \$HK1,045,000,000) to expand the Company's retail distribution network;
3. About 5 percent (about \$HK261.25 million) to be used for the implementation of brand-building exercises;

4. About 5 percent (about \$HK261.25 million) to be used for research and development; and,
5. Between 20 percent and 30 percent (between \$HK1,045,000,000 and \$HK1,567,500,000) to be used to retire debts to 5 banks as follows:
 - a. Bank of Communications,
Shanghai Branch 300 million renminbi;
 - b. HSBC Holdings plc,
Shanghai Branch 230 million renminbi;
 - c. DBS Bank Ltd,
Hongkong Branch 376.10 million renminbi;
 - d. Bank of Ningbo,
Shanghai Branch 200 million renminbi;
 - e. Xiamen International Bank,
Shanghai Branch 150 million renminbi; and,
6. About 10 percent (\$HK522.50 million) to be used as additional Working Capital.

The business of Bosideng International ... [CLICK TO ORDER FULL ARTICLE](#)

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