

**XTEP INTERNATIONAL HOLDINGS LTD:
ALL THINGS CONSIDERED, THE SHARES WERE TOO PRICEY**

Although Xtep International Holdings Ltd () (Code: 1368, Main Board, The Stock Exchange of Hongkong Ltd) claims to be a '*leading domestic fashion sportswear enterprise*', actually, the Company is heavily dependant on sales of one particular item: Its footwear products.

And that has been the situation for the past 3 Financial Years, ended December 31, 2007.

An analysis of the revenues of this Company is given in the Global Offering Prospectus, dated May 21, 2008, which is, hereby reproduced in part:

	Financial Year, Ended December 31			Percentage of Turnover Of 2007*
	2005	2006	2007	
	All Figures Are Denominated In Renminbi’000 (except where otherwise specified)			
Revenue				
Manufacture And Sale Of Sportswear				
Footwear	294,817	441,948	849,135	62.21
Apparel	2,628	40,596	497,635	36.46
Accessories	Nil	1,018	18,177	1.33
TOTAL	297,445	483,562	1,364,947	100.00

* These are **TARGET**'s calculations

Xtep International launched its story in its Global Offering Prospectus, but the investing public of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) did not warm very much to this Company, for one reason or another.

Questions could be raised as to the reasoning of the investing public of the HKSAR for the lack of enthusiasm for scrip of this Company.

The Flotation

Xtep International Offered 550 million, one-cent Shares at a price per share of between \$HK4.05 and \$HK5.50.

When all of the valid applications for shares were tallied, it was determined that the Offer price would be at the rock-bottom level of \$HK4.05.

The Offer Price was fixed at the bottom of Management's acceptable level on counting the number of valid applications for shares in this Company and realising that Xtep International was unlikely, ever, to be a blue chip of the Main Board of The Stock Exchange of Hongkong Ltd.

Investors of the HKSAR were Offered only 55 million Shares, while International Investors were Offered 495 million Shares.

The HKSAR tranche was oversubscribed 2 times, the Company announced, while the International Placing tranche was said to have been '*moderately over-subscribed*'.

After expenses, Xtep International garnered about \$HK2,067,000,000, at the end of this cash-raising exercise.

Which is ... [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.*