

**BEP INTERNATIONAL HOLDINGS LTD:
CAN THIS COMPANY LAST THE WINTER ?**

As [BEP International Holdings Ltd \(\)](#) (Code: 2326, Main Board, The Stock Exchange of Hongkong Ltd) wrestles with trying to deal with more than \$HK27 million of claims, filed in the High Court, the District Court, and The Labour Tribunal of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), as well as 7 Claims, lodged in The Baoan People's Court and The Nanshan People's Court of the PRC, proper, there is, still, the matter of trying to deal with the company's cash-flow problems.

On October 17, 2008, BEP International told its shareholders that it was finding it increasing difficult to obtain bank financing for its operations.

Trading in the shares of the company has been suspended since October 20, 2008.

The company closed down its operating subsidiary in the PRC, proper, being distinct and separate from the HKSAR of the PRC, following months of incurring losses and, since that announcement, nothing further has been heard from Management.

The financial situation, however, must be considered extremely burdensome because, among other things, there would appear to be little to no money, left in the kitty.

As at March 31, 2008, bank balances and cash stood at about \$HK5.86 million, but current bank borrowings stood at about \$HK4.43 million.

For the 2008 Financial Year, Shareholders' Funds dropped to about \$HK25.73 million, down from the 2007 Balance Sheet Date of about \$HK50.70 million.

As far as Shareholders' Funds are concerned, the 2008 level was the lowest point for at least the past 5 Financial Years.

According to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), since the closing of the company's books for the 2004-Year, BEP International has been a consistent loser with the lone exception of the 2007-Year.

In aggregate, since the 2004-Year, the company's results were a negative \$HK78.41 million.

For the 2008-Year, on a Turnover of \$HK345.33 million (2007: \$HK385.39 million), the Bottom Line came in at a Loss Attributable to Shareholders of about \$HK35.96 million (2007: \$HK13.48 million).

The Consolidated Balance Sheet of the company shows that, as at March 31, 2008, there were, in the books, trade and other payables in the amount of about \$HK84 million.

Note 18 at Page 41 of the 2008 Annual Report gives an explanation of the trade and other payables as follows:

Trade and Other Payables

	2008	2007
	All Figures Are Denominated In \$HK'000	
Trade Creditors	63,884	48,589
Claims For Employees' Overtime Compensation	12,702	Nil
Other Payables and Accruals	5,424	5,289
Trade Deposits, Received	2,010	3,377
TOTAL	84,020	57,264

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