

**361 DEGREES INTERNATIONAL LTD:
THE PROSPECTUS RAISES MORE QUESTIONS THAN GIVES ANSWERS**

Now that the promotional publicity is over in respect of the **Initial Public Offering (IPO)** of 361 Degrees International Ltd (361) (Code: 1361, Main Board, The Stock Exchange of Hongkong Ltd), it is noted by this medium that quite a number of negative factors, as well as a number of anomalies, were never considered, at least, not publicly and never in any detail.

Some of the aspects of the flotation of this sportswear manufacturer of the People's Republic of China (PRC) that should, in **TARGET's** opinion, have been of concern to prospective investors at the time that the IPO was launched comprised, inter alia:

1. This is family owned company and is likely, always, to be such: It will never be institutionalised;
2. This Company is a very little '*fish*' in a very big '*pond*' – the People's Republic of China;
3. This Company, historically, has relied on sales of just one item to bring in most of the bread and butter, to wit, footwear;
4. The profit margins are uncomfortably high as has been the growth of the Company's fortunes; and,
5. The Company is on a rapid expansion trail – and that is the most-dangerous time in the life of any company.

361 Degrees International Ltd went public on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the PRC when it made a Global Offering of 500 million Shares of a Nominal Value of 10 cents per Share at an Offer Price of between \$HK3.15 per Share and \$HK4.35 per Share.

Only 50 million shares were, initially, reserved for Hongkong investors while 450 million shares were reserved for International Investors.

After the applications for shares had been counted, it was noted that 42,744 valid applications from Hongkong investors had been received for 2,064,015,000 Shares, representing about 41.28 times, the number of Shares, available for sale to Hongkong Investors.

As for the Offer Shares, tendered to International Investors, the Company only stated that they had been '*significantly oversubscribed.*'

The claw back mechanism kicked in and the number of shares, allocated to Hongkong Investors, was increased 200 percent to 150 million Shares.

But the share price was struck at \$HK3.61 per Share, just 14.60 percent from the minimum Offer Price of \$HK3.15 per Share.

Today, the share price is about \$HK3.71, up about 2.77 percent from the Offer Price.

Within the first month of the shares of 361 Degrees International Ltd, having been traded on the Main Board of The Stock Exchange of Hongkong Ltd, that is from Tuesday, June 30, 2009, to Friday, July 31, 2009, the share price went from a low of \$HK3.60 (July 2, 2009) to a high of \$HK3.96 (July 24, 2009) according to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

The failure of the share price to ... [CLICK TO ORDER FULL ARTICLE](#)

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