

**MEIKE INTERNATIONAL HOLDINGS LTD:
THIS IS ANOTHER, 'NO THANK, ALL THE SAME' COMPANY**

While Meike International Holdings Ltd () (Code: 953, Main Board, The Stock Exchange of Hongkong Ltd) makes the claim of being '*one of the fast-growing domestic branded sportswear enterprises in the PRC*', it is, also, one of the many fast-growing, debt-laden sportswear manufacturers in the People's Republic of China (PRC).

This is made only too apparent on studying the Placing and Public Offer Prospectus of Meike International Holdings Ltd, dated January 19, 2009.

Meike International Holdings Ltd is Offering a total of 250 million, 0.01-cent Shares at between \$HK1.20 per Share and \$HK1.43 per Share in order to garner a little more than \$HK300 million, net of expenses.

Investors of the Hongkong Special Administrative Region (HKSAR) of the PRC are being Offered 25 million Shares, the remainder, being reserved for International Investors via Private Placements.

The Company explains its business at Page 89 of its Placing and Public Offer Prospectus as follows:

'We are one of the fast-growing domestic branded sportswear enterprises in the PRC in terms of sales of branded sportswear products. We design, develop, produce, market and distribute leisure sportswear products, including footwear and apparel, under the Meike brand. We also design, develop, market and distribute sports accessories under the Meike brand. According to Frost & Sullivan, we ranked tenth among the leading domestic sports footwear suppliers in terms of footwear revenue including domestic sales, OEM income, and export in 2008 in China, of which more detailed information is set out in the sub-paragraph headed "the sports footwear market" in the section headed "Industry Overview" in this prospectus. In terms of sales of apparel products, we recorded a CAGR of approximately 406.0% in 2008 as compared to 2006.

'During the Track Record Period, we established and expanded our distribution network of our Meike branded products, starting from 59 counters under concessionary arrangement with department stores and shopping malls as of January 1, 2006 to 1,318 Meike outlets (including Meike distributor outlets directly operated by our distributors and Meike retailer outlets indirectly managed by our distributors) which sell our Meike products exclusively in 22 provinces, autonomous regions and municipalities, and more than 514 districts, counties, and county-level cities in the PRC as of the Latest Practicable Date.'

The debt load of this Company, as at November 30, 2009, was about 191.50 million renminbi.

It is almost a certainty that that amount of money was an historic high with regard to the level of borrowings of Meike International Holdings Ltd.

Page 198 of the Placing and Public Offer Prospectus says it all:

'INDEBTEDNESS

‘Borrowings

‘The following table sets forth our indebtedness as of each of the balance sheet dates during the Track Record Period and as of November 30, 2009:

	<i>As of December 31,</i>		<i>‘As of</i>		<i>As of</i>
	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>September 30, November 30,</i>	<i>2009</i>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				<i>(unaudited)</i>	
<i>Bank loans — secured</i>	<i>—</i>	<i>—</i>	<i>54,000</i>	<i>128,500</i>	<i>128,500</i>
<i>Bank loans — unsecured</i>	<u><i>64,000</i></u>	<u><i>95,000</i></u>	<u><i>81,000</i></u>	<u><i>63,000</i></u>	<u><i>63,000</i></u>
	<u><i>64,000</i></u>	<u><i>95,000</i></u>	<u><i>135,000</i></u>	<u><i>191,500</i></u>	<u><i>191,500</i></u>

The following Page states that the 191.50 million renminbi is repayable ‘*within 1 year.*’

Now ... [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.*