

**CHRISTINE INTERNATIONAL HOLDINGS LTD:
SOMEBODY SEEMS TO HAVE MISLAID
THE BREAD-MAKING FORMULA**

Ever since Christine International Holdings Ltd () (Code: 1210, Main Board, The Stock Exchange of Hongkong Ltd) went public on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors have been inundated with one profit-warning announcement after another.

However, on reading the Company's Annual Report for the Financial Year, ended December 31, 2012, it is difficult to understand the reason that Christine International is having, what appears to be, a rather difficult time.

And it appears, to be trite, that there is no light at the end of this bakery company's tunnel.

Christine International went public in the HKSAR in the second week of February 2012.

It made a Global Offering of 250 million Shares at an Indicative Offer Price Range Per Share of between \$HK1.60 and \$HK2.22.

On February 22, 2012, the Offer Price Per Share was struck at the lowest acceptable level to Management: \$HK1.60.

That netted the Company about \$HK341 million from this cash-raising exercise.

That amount of money was said to be earmarked for the follow purposes:

- About 41 percent of the net proceeds, that is about \$HK139.81 million, to expand the Company's retail outlets by 320 additional shops;
- About 39 percent of the net proceeds, that is about \$HK132.99 million, to be used for capital expenditure, including expansion of existing production facilities;
- About 10 percent of the net proceeds, that is about \$HK34.10 million, to improve the Company's Information Technology systems and to be used in research and development; and,
- About 10 percent of the net proceeds, that is about \$HK34.10 million, to be tipped into the General Working Capital Account.

The Global Offering was fairly well received at the time of the flotation, with the investing public, oversubscribing to the shares on Offer.

The Share Offer was broken up into the Hongkong Offer Tranche of 25 million shares and the International Offer Tranche of 225 million shares.

The Prospectus, at Page 12, stated that the estimated Net Profit Attributable to Shareholder in respect of the 2011 Financial Year, ended December 31, 2011, would not be less than 95 million renminbi, equivalent to about \$HK116.50 million.

Of course, Management of Christine International, most likely, had more than an inkling of the 2011-Year's Net Profit since the Financial Year had ended 45 days before the Company had issued its Global Offering Prospectus.

Nevertheless, the estimated Net Profit in respect of the 2011-Year represented an increase of about 7.53 percent, Year-On-Year.

Since ... [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.*