

**BOSHIWA INTERNATIONAL HOLDING LTD:
WHO LOST MONEY ON THIS IPO ?**

On The Trail Of The Aseptic Auditors

For investors who, in September of 2010, bought shares in the **Initial Public Offering (IPO)** of Boshiwa International Holding Ltd () (Code: 1698, Main Board, The Stock Exchange of Hongkong Ltd), they must have rued the day that they signed their cheques in order to obtain some of this Company's scrip.

Today, nearly four years after this producer of children's products launched its IPO at the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors are still pondering whether or not the Company has any money left in the kitty.

They cannot know the financial situation at this Company – because, other than the 2010 Annual Report, which was published and disseminated on April 28, 2011, Management has never informed shareholders of even an inkling of the situation.

One Cornerstone Investor, especially, **Singapore Investment Corporation Pte Ltd** (known, popularly, as '**GIC**'), must be smarting if it had not offloaded its bloc of 116,865,000 Boshiwa shares before the balloon went up on March 15, 2012, the date that trading in the shares of this Company was suspended.

And trading in this Company's shares remains suspended to this day.

GIC spent upwards of \$US75 million (about \$HK585 million) in September of 2010 at the time of the Boshiwa IPO, having, obviously, been advised so to do by Martin Currie Incorporated, an investment fund, managed by Martin Currie Investment Management Ltd.

Since Boshiwa garnered about \$HK2,354,000,000, net of expenses, from its IPO, comprising 500 million, \$HK0.0005 Shares at the Offer Price Per Share of \$HK4.98, it has gone through three auditing companies as the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, illustrates.

The first auditing firm to resign was Deloitte Touche Tohmatsu (). It threw in the towel, so to speak, on March 13, 2012.

In an announcement from Boshiwa, dated March 15, 2012, it was stated at Page Two:

'In tendering its resignation, Deloitte Touche Tohmatsu has considered that there are certain information requested by them in relation to their audit are outstanding or explanations provided by the Company's management are not to their satisfaction, which preclude their completion of the audit. Other than the matters described in the Letter, the auditor confirmed to the Board that there were no other circumstances in respect of the change of auditors that they considered should be brought to the attention of the shareholders of the Company.'

As a direct result of the resignation of Deloitte Touche Tohmatsu, Boshiwa's Chairman, Mr Zhong Zheng Yong (), announced that the Company '*requires additional time to gather sufficient information for the new auditor to perform and complete their audit procedures and expects that it will be unable to publish its annual results (the "Annual Results") for the year ended 31 December 2011 by 31 March 2012, and will not be in a position to dispatch its annual report (the "Annual Report") for the year ended 31 December 2011 to the shareholders of the Company by 30 April 2012*'.

On May 23, 2012, Boshiwa announced that Zenith CPA Ltd () had been appointed as auditors with immediate effect in order *‘to fill the casual vacancy following the resignation of Deloitte Touche Tohmatsu and to hold office until the conclusion of the next annual general meeting of the Company’*.

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