

B AND S INTERNATIONAL HOLDINGS LTD:
WE ALL LIKE TO EAT AND DRINK, DON'T WE ?

This Company Appears As Though
It Has Been A Decent Breadwinner, Thus Far

Everybody in this world of ours must eat and drink in order to survive.

Thus, it follows that companies, engaged in supplying sustenance to the masses, have a ready market for their products.

B and S International Holdings Ltd () (Code: 1705, Main Board, The Stock Exchange of Hongkong Ltd) is a corporate entity that makes the claim of being '*a well-established food and beverage company*', having a 27-year history of operations in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

However, the products that this Company sells are not, exactly, the healthiest of foodstuffs and drinks.

Be that as it may, it seems that the Company has been doing quite well, all things considered.

But, having stated this, Management is somewhat dependant on just a handful of major customers for a goodly percentage of its revenue and net income.

The Initial Public Offering (IPO) Of B And S International Holdings Ltd

B and S International Holdings Ltd published and disseminated its Share Offer Prospectus on February 26, 2018.

Management Offered a total of 100 million, one-cent Shares at an Indicative Offer Price Range, the lowest acceptable price, being 80 cents, the highest, being of \$HK1.00.

Investors of the HKSAR were Offered 10 million Shares and Professional/Institutional/Well-heeled Investors were Offered 90 million Shares by way of select Share Placements.

Last Tuesday (March 13), Management announced that the Offer Price Per Share had been struck at \$HK1.00, the highest point of the Indicative Offer Price Range.

The net proceeds of the IPO are anticipated to be \$HK71.10 million, one was told in the Allotment Results Announcement.

This amount of money is earmarked for the following purposes:

1. Approximately, \$HK46.60 million, that is about 65.60 percent of the net proceeds will be used for the opening of new retail outlets including:
 - i. *‘approximately HK\$13.1 million for opening around eight new retail outlets under the brand of “**TenRen** ()” for each of the years ending 31 March 2019 and 2020, respectively, of which approximately HK\$7.2 million will be used for renovation of new retail outlets; approximately HK\$1.8 million for acquisition of equipment; approximately HK\$2.7 million for payment of rental deposit; approximately HK\$0.9 million for purchase of inventory; and approximately HK\$0.5 million for payment of miscellaneous expense for each of the years ending 31 March 2019 and 2020, respectively;*
 - ii. *‘approximately, \$HK9.0 million for opening around five new retail outlets under the brand of “**Jiu Tang Wu** ()” for each of the years ending 31 March 2019 and 2020, respectively, of which approximately HK\$4.9 million will be used for renovation of new retail outlets; approximately HK\$0.7 million for acquisition of equipment; approximately HK\$1.7 million for payment of rental deposit; approximately HK\$1.1 million for purchase of inventory; and approximately HK\$0.6 million for payment of miscellaneous expense for each of the years ending 31 March 2019 and 2020, respectively;*
 - iii. *‘approximately HK\$1.2 million for opening around one new retail outlet under the brand of “**Uncle Tetsu** ()” for each of the years ending 31 March 2019*

and 2020, respectively, of which approximately HK\$0.7 million will be used for renovation of new retail outlets; approximately HK\$0.1 million for acquisition of equipment; approximately HK\$0.3 million for payment of rental deposit; approximately HK\$70,000 for purchase of inventory; and approximately HK\$50,000 for payment of miscellaneous expense for each of the years ending 31 March 2019 and 2020, respectively;

2. Approximately, 17.20 percent, that is about \$HK12.30 million, ‘*will be used to lease and set up two warehouse facilities with a gross floor area of approximately 20,000 sq.ft. (square feet) and 10,000 sq.ft. for the two years ending 31 March 2019 and 2020, respectively, of which approximately HK\$3.6 million and HK\$4.8 million will be used for rental payment and deposit; and approximately HK\$2.6 million and approximately HK\$1.3 million for renovation of the warehouse facilities for the two years ending 31 March 2019 and 2020, respectively*’;
3. Approximately, 5.10 percent, that is about \$HK3.60 million, ‘*will be used to upgrade our ERP (Enterprise Resource Planning) system for the two years ending 31 March 2019 and 2020, respectively, of which approximately HK\$1.6 million will be used for instalment fee for the year ending 31 March 2019; and approximately HK\$1.0 million for the annual fee for each of the years ending 31 March 2019 and 2020, respectively*’;
4. Approximately, 3.50 percent, that is about \$HK2.50 million, ‘*will be used for expansion of the sales and marketing team of the Distribution Business, by recruiting three additional marketing sales personnel in order to cope with the growth of the scale of operation for the two years ending 31 March 2019 and 2020*’; and,
5. Approximately, 8.60 percent, that is about \$HK6.10 million, ‘*will be used for general working capital purposes*’.

The Business Of B And S International Holdings Ltd

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