

TARGET

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**CHEERWIN GROUP LTD:
IT LOOKS AS THOUGH THIS COMPANY COULD
WELL BE A WINNER FOR SOME YEARS TO COME**

It could be held that Cheerwin Group Ltd (朝雲集團有限公司) (Code: 6601, Main Board, The Stock Exchange of Hongkong Ltd) is a corporate entity, under the direct control of members of the Brothers Chen Kai Chen (陳凱臣) and Chen Kai Xuan (陳凱旋), but that should hardly be off-putting since these gentlemen and their respective spouses have had – and continue to have – very successful batting innings from the time that they determined to incorporate their first company in the People’s Republic of China (PRC) on or about February 25, 1998.

Cheerwin Group Ltd, a company, incorporated in the Cayman Islands on April 11, 2018, is, today, the holding company that encompasses Guangzhou Cheerwin Holding Company Ltd (廣州朝雲控股有限公司), an indirect wholly owned subsidiary of Cheerwin Group Ltd and its 11 wholly owned subsidiaries.

In a summary ‘**OVERVIEW**’ of Cheerwin Group Ltd, at Page One of the 593-page Global Offering Prospectus, dated Friday, February 26, 2021, one was informed:

‘We are a leading one-stop multi-category household care and personal care platform in China, developing and manufacturing a variety of household care, personal care and pet care products. We distribute our products through an omni-channel sales network across China. Our household care products include a wide array of household insecticides and repellents such as mosquito coils and liquid vaporizers and a number of household cleaning products such as disinfectants, kitchen cleaners and toilet cleaners. Our air care products include a variety of air fresheners. Our personal care products include skin care products, hair and body care products, hand sanitizers and Florida Water. Our pet care product include a variety of pet shampoos and deodorants. We ranked third among domestic companies in China’s household care industry in each of the past five years between 2015 and 2019, and ranked fourth among all companies in China’s household care industry, with a market share of 6.3% in 2019, in terms of retail sales value according to CIC, and have quickly established leading positions in various sub-categories of personal care and pet care.’

Not bad going for a company with a 23-year history, one might be tempted to comment.

The Initial Public Offering (IPO) Of Cheerwin Group Ltd

The IPO of Cheerwin Group Ltd was published and disseminated in the Hongkong Special Administrative Region (HKSAR) of the PRC on February 26, 2021.

Management Offered a total of 333,333,500 Offered Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK7.80 to a high of \$HK9.20.

Investors of the HKSAR were offered the opportunity to subscribe to 33,334,000 Offer Shares (the Hongkong Offer Shares tranche) and International Investors – Institutional Investors, Professional Investors and Well-Heeled Investors, along with their corporate entities in which this class of investors was deemed to hold equity control, legally and beneficially – were induced to subscribe to 299,999,500 Offer Shares (the International Offer Shares tranche).

On Tuesday, March 9, 2021, in a formal Announcement with regard to the Offer Price Per Share and the Allotment Results, one was told that the Offer Price Per Share had been struck at the highest level of the Indicative Offer Price, being \$HK9.20, and that Management anticipated, netting about \$HK2,888.40 million from the Global Offering.

With regard to the Hongkong Offer Shares tranche, one was told that it had *‘been very significantly over-subscribed.’*

The Announcement stated, inter alia, that a total of 267,551 Valid Applications had been received by Management for a total of 5,744,278,000 Hongkong Offer Shares, equivalent to about 172.32 times the 33,334,000 Offer Shares, initially available under this tranche.

In respect of the International Offer Shares tranche, one was informed that it had *‘been significantly oversubscribed, representing approximately 13.80 times the total number of Offer Shares’*, being 299,999,500 Offer Shares, initially available.

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