

**MAN WAH HOLDINGS LTD:
THE INITIAL PUBLIC OFFERING CATCHES A CRAB**

TARGET () cannot recall such a situation: One day before dealing in the shares of the **Initial Public Offering (IPO)**, it is announced by Management that:

- a) The reviewed Price Per Share is reduced from the lowest, original Offer Price to an Offer Price Per Share that is 20 percent lower; and,
- b) The 3 Selling Shareholders, who stood to earn between \$HK408 million and \$HK566.40 million, agree to withdraw and will, now, not sell their shares.

The company, to which **TARGET** is referring, is Man Wah Holdings Ltd () (Code: 1999, Main Board, The Stock Exchange of Hongkong Ltd), which had come to the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in order to raise a 'little' cash.

On Monday, March 29, 2010, Man Wah Holdings Ltd was forced to publish a Supplemental Prospectus since, clearly, Management had run into serious flak in respect of its original Global Prospectus.

Some of the highlights of the Supplemental Prospectus included:

‘WITHDRAWAL OF SALE SHARES

‘Our Company, the Selling Shareholders and the Sole Sponsor have decided to withdraw the 48,000,000 Sale Shares from the International Offering tranche of the Global Offering, and correspondingly to withdraw the Sale Share component of the Over-allotment Option. Consequently, the Selling Shareholders will also not be parties to the International Underwriting Agreement and the number of Shares which are the subject of the Over-allotment Option will be comprised solely of 36,190,800 new Shares.

‘As the Selling Shareholders are no longer selling their Shares, they will all remain our Shareholders immediately following the Global Offering and will be subject to lock-up undertakings for a period ending six months after the Listing Date on the same terms as the other Shareholders (other than the Controlling Shareholders). Details of these lock-up undertakings are set out in the sections entitled “Lock-up Undertakings by the other Shareholders” below and “Underwriting” in the Prospectus ...

“Immediately following the Global Offering, there will be no change to our interests in the companies comprising our Group and our associated companies. The following chart sets forth the details of our Shareholders immediately following completion of the Global Offering but excluding shares which may fall to be issued pursuant to the exercise of the Over-allotment Option or options granted under the Share Option ...

‘DETERMINATION OF OFFER PRICE AT BELOW THE OFFER PRICE RANGE

‘Having regard to the current volatility in the international capital markets, the Offer Price has been determined at HK\$6.80 per Offer Share (the “New Offer Price”) which is below the

indicative offer price range as set out in the Prospectus.

‘The Hong Kong Underwriting Agreement dated 17 March 2010 and the price determination agreement dated 26 March 2010 (the “Price Determination Agreement”) each entered into by, among others, our Company, the Hong Kong Underwriters and the Sole Global Coordinator are conditional upon and subject to, among other things, the execution of the International Underwriting Agreement. The International Underwriting Agreement is expected to be executed and entered into by, among others, our Company, the Sole Global Coordinator and the International Underwriters on 26 March 2010 or such later date as may be agreed between the parties. There is no assurance that the International Underwriting Agreement will be executed or that the Global Offering will be completed ...’

With virtually no debt and with a profit forecast for the Financial Year, ended March 31, 2010, which is nearly 149 percent greater than the 2009-Year’s, Man Wah Holdings Ltd had come to the premier equity market of the HKSAR, probably, very confident of raising billions of Hongkong dollars.

In truth, this Company does not need any more money, but ... [CLICK TO ORDER FULL ARTICLE](#)

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