

**TENWOW INTERNATIONAL HOLDINGS LTD:
THIS COMPANY COULD BE A BIG WINNER –
EVERYBODY HAS TO EAT AND DRINK**

Tenwow International Holdings Ltd () (Code 1219, Main Board, The Stock Exchange of Hongkong Ltd) looks very much as though it could well be a winner.

From the point of view of the average investor, it appears to be a fairly decent, long-term investment and, in fact, four well-heeled, international, investment funds have, already, put material sums of money where their proverbial mouths are located: They are committed to spend about \$HK719.88 million on purchasing shares in this Initial Public Offering (IPO).

Tenwow International is the latest company to seek a listing on the premier equity market of the Hongkong Special Administration Region (HKSAR) of the People's Republic of China (PRC).

It hopes to raise about \$HK1,434.90 million in this cash-raising exercise, but even before the ink was dry on the Global Offering Prospectus, dated September 5, Management of Tenwow International had, already, bagged about half of that sum of money.

Tenwow International claimed, in a nutshell, to have become '*a leading packaged food and beverage producer and one of the largest distributors of packaged food and beverages in China ...*'.

The Global Offering is 500 million, 10-cent Shares at an Indicative Offer Price Per Share of between \$HK3.00 and \$HK3.15.

At \$HK3.08, being the midpoint of the Indicative Offer Price Per Share, it is estimated that the Company will net about \$HK1,439.90 million.

That amount of money is earmarked for the following purposes:

- 1 About 45 percent of the net proceeds, that is about \$HK647.96 million, '*will be used to finance the capital expenditures required in connection with the expansion of production capacity at our existing production facilities (including a new beverage bottling line and two new Tetra Pak production lines at our existing facilities in Songjiang, Shanghai and a new Tetra Pak production line in Wuhan, Hubei) and the construction of new production facilities in Chengdu, Sichuan (which includes a new beverage bottling line, a new snack production line and the costs in connection with the construction of the production facilities)*';
- 1 About 39 percent of the net proceeds, that is about \$HK561.56 million, '*to strengthen and expand our existing distribution network and expand into new regions as well as to finance research and development, and marketing and promotion activities of Own Brand Products. Based on prevailing market conditions, we currently contemplate using*';
- 1 About 6 percent of the net proceeds, that is about \$HK86.39 million, to refinance existing bank loans, required in providing Working Capital, to three PRC banks:
 - o Bank of Communications Company Ltd, Putian Branch;
 - o China Merchants Bank, Shenzhen Futian Branch; and,
 - o Shanghai Rural Commercial Bank, Qing Pu Branch;and,

¹ About 10 percent of the net proceeds, that is about \$HK143.99 million, to be used as Working Capital.

The Business of Tenwow International

Page 108 of the Global Offering Prospectus explains ... [CLICK TO ORDER FULL ARTICLE](#)

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