

**HYDOO INTERNATIONAL HOLDING LTD:
THESE SHARES ARE NOT WORTH \$HK2.15**

Despite the successful flotation of Hydoo International Holding Ltd () (Code: 1396, Main Board, The Stock Exchange of Hongkong Ltd) on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on Thursday, October 31, 2013, the share price and the volume of activity in the scrip of this developer and operator of trade centres in the PRC appear to be experiencing a deserved but slow '*death*'.

For what reason the Offer Price Per Share was struck at \$HK2.15, being the midpoint of the Indicative Offer Price Per Share, this medium has no idea because, any reasonable investor, on scanning the Global Offering Prospectus, would have come to the same conclusion as **TARGET** (): That the scrip is not worth anywhere near the Offer Price, determined on or about Wednesday, October 30.

If logic should sway the day, the share price of this Company should be below the \$HK1.00-mark.

The Initial Public Offering (IPO)

The Global Offering of Hydoo International was 768,256,000, one-cent Shares at the Indicative Offer Price Per Share, ranging between \$HK1.85 and \$HK2.45.

Of the total number of shares on Offer, 76,826,000 shares were designated as '*Hong Kong Offer Shares*'; the remaining 691,430,000 Shares were reserved for International Investors.

On October 30, 2013, the Company announced that:

- The Offer Price Per Share had been determined at \$HK2.15;
- The Hong Kong Offer tranche had been oversubscribed by about 3.73 times;
- The International Offer tranche had been '*moderately over-subscribed*'; and,
- The Net Proceeds of the Global Offering amounted to about \$HK1,581 million.

The Net Proceeds would be utilised for the following two purposes, only, one was told:

1. '*Approximately 90% (or approximately HK\$1,422.9 million) will be used for the financing of expenditures to be incurred in connection with future development activities, including (i) development of the Group's projects under development and projects held for future development, (ii) other development properties subject to master investment agreements, including funds to be used to acquire land-use rights; and*
2. '*Approximately 10% (or approximately HK\$158.1 million) for working capital and other general corporate purposes.*'

The History and Business

Hydoo International claims to be in the business of developing and operating large-scale trade centres in the PRC, proper, being separate and distinct from the HKSAR.

The term, '*large-scale trade centres*', is applied to trade centre projects with an aggregate Gross Floor Area of more than 400,000 square metres (about 4.31 million square feet).

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