

**WH GROUP LTD:
BIG DOES NOT ALWAYS EQUATE WITH BEING BEAUTIFUL**

TARGET () cannot recall such a thing ever taking place, during the past 43 years, but it has taken place, nevertheless – and it had to take place in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

This medium is referring to the actions with regard to WH Group Ltd () (Code: 288, Main Board, The Stock Exchange of Hongkong Ltd).

Last Friday, WH Group published a Supplemental Prospectus, some ten days after it had published and disseminated its leviathan of a Global Offering Prospectus, numbering 1,029 pages.

The Supplemental Prospectus, numbering 72 pages, modified a number of aspects, contained in the original Global Offering Prospectus, issued on April 15, 2014.

Probably, historians will claim that among the most important of the modifications was that the Company had determined to reduce the number of Offer Shares so that they would all be New Shares, deleting the 'Sale Shares', completely.

The 'Selling Shareholders' were all of the entities that lent money to the Company.

At Page 3 of the Supplemental Prospectus, one reads:

	<i>'Original structure of the Global Offering as stated in the Prospectus</i>	<i>Revised structure of the Global Offering</i>
<i>Number of Offer Shares under the Global Offering:</i>	3,654,980,000 Shares (comprising 2,923,980,000 new Shares and 731,000,000 Sale Shares, and subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option)	1,299,550,000 Shares, consisting of new Shares only (subject to the Over-allotment Option)
<i>Number of Hong Kong Public Offering Shares:</i>	182,749,000 Shares (subject to reallocation and the Offer Size Adjustment Option)	64,978,000 Shares (subject to reallocation)
<i>Number of International Offering Shares:</i>	3,472,231,000 Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option) of which 2,741,231,000 are new Shares offered for sale by us and 731,000,000 are Sale Shares offered for sale by the Selling Shareholders'	1,234,572,000 Shares consisting of new Shares only, (subject to reallocation and the Over-allotment Option)

The next important modification to the Global Offering Prospectus will, most likely, be considered as to the amount of money that this Initial Public Offering (IPO) would be able to acquire: Between \$US1,299,000,000 (at the Offer Price Per Share of \$HK8.00) and \$US1,835,000,000 (at the Offer Price Per Share of \$HK11.25).

Page 11 of the Supplemental Prospectus explains:

'If the Offer Price is at the low-point, mid-point or high-point of the Offer Price range stated in this prospectus, or HK\$8.00, HK\$9.63 and HK\$11.25 per Offer Share, respectively, we estimate that we will receive net proceeds from the Global Offering of approximately US\$ 1,299 million, US\$1,568 million or US\$1,835 million, respectively, assuming that there is no exercise of the Over-Allotment Option. In the event that the Over-allotment Option is exercised in full, we estimate that we will receive additional net proceeds of approximately US\$98 million, US\$238 million or US\$279 million if the Offer Price is at the low-point, mid-point or high-point of the Offer Price range stated in this prospectus, respectively. We intend to use the net proceeds to partially repay the three year tranche maturing on August 30, 2016 of the Syndicated Term Loan which has an interest rate of LIBOR plus 3.5% and has an outstanding principal amount of US\$2,500 million. We currently intend to apply the net proceeds to this purpose as soon as practicable following the completion of the Global Offering. In addition to the three-year tranche maturing on August 30, 2016, the Syndicated Term Loan includes a five year tranche maturing on August 30, 2018 which has an outstanding principal amount of US\$1,500 million and an interest rate of LIBOR plus 4.5%. We intend to repay the remaining balances, including principal and interest, of the Syndicated Term Loan, when due, with funds from a variety of sources, including cash generated from operations and bank financing. We do not foresee any difficulty in our continuing to comply with the covenants of the Syndicated Term Loan, including our compliance with the financial ratios required thereby, through the maturity of the tranches thereunder.'

In short, all of the money that can be engendered by virtue of this IPO shall be used to reduce debts to lenders, mostly banks and funds of one sort or another.

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