

**LUYE PHARMA GROUP LTD:  
YOU JUST CAN'T KNOCK SUCCESS**

Even before the ink had dried on the Global Offering Prospectus of Luye Pharma Group Ltd () (Code 2186, Main Board, The Stock Exchange of Hongkong Ltd), six Cornerstone Investors had signed up to take 38.42 percent of the total number of shares on Offer, representing about 11.56 percent of the entire Issued and Fully Paid-Up Share Capital of the Company.

It was hardly any wonder, therefore, that the flotation of this pharmaceutical company on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was a roaring success.

In addition to the 999,640,000, \$US0.02 Shares on Offer, on July 15, 2014, the Company announced that the Over-Allotment of 149,946,000 Shares had been fully exercised.

In short, the flotation of Luye Pharma was one of the big success stories with regard to mopping up some loose change from HKSAR Investors as well as from International Investors.

**The Initial Public Offering (IPO)**

Of the total number of shares on Offer, 667.54 million were New Shares and 332.10 million were Sale Shares.

HKSAR Investors were Offered 99,964,000 Shares and International Investors were Offered 899,676,000 Shares.

The Indicative Offer Price Per Share ranged between a low of \$HK5.38 and a high of \$HK5.92.

When all of the valid applications for shares had been tallied, it was discovered that HKSAR Investors and International Investors had '*significantly over-subscribed*' for shares in this Company.

The Share Price was struck at the top end of the Indicative Offer Price: \$HK5.92.

The Company netted about \$HK3,766,300,000 from this cash-raising exercise, it was announced.

The six Cornerstone Investors ended up with 40.80 percent of the Offer Shares under the International Offering, with Value Partners Hongkong Ltd (), a wholly owned subsidiary of Value Partners Group Ltd () (Code: 806, Main Board, The Stock Exchange of Hongkong Ltd), being the biggest winner of the Cornerstone Stakes, obtaining 14.60 percent.

The other five Cornerstone Investors were:

1. Dragon Billion China Master Fund and LMA SPC, two investment companies that focus on taking equity positions in PRC companies, listed on the PRC, the HKSAR and US equity markets. It obtained 7.30 percent of the International Offering;
2. Macquarie Funds Management Hongkong Ltd ([]), a wholly owned subsidiary of Macquarie Group, is a fund manager. It obtained 3.60 percent of the International Offering;

3. Minmetals Capital (Hongkong) Ltd ([ ]), a wholly owned subsidiary of China Minmetals Corporation (). It obtained 3.60 percent of the International Offering;
4. OrbiMed Advisors LLC, an investment company that takes equity positions in the healthcare sector, exclusively. It obtained 7.30 percent of the International Offering; and,
5. TAL China Focus Master Fund, an investor that obtained 4.40 percent of the International Offering.

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