

AskVenture.com - Venture Capital Funding Guide - <http://www.askventure.com>

If you have any questions or comments, or if you would like this spreadsheet in excel .xls format, please feel free to contact Andy Lau at andy@askventure.com

Calculation of number of shares of a company pre-IPO and post-IPO and offering stats at IPO

	Min offer price [US\$/HK\$/RMB]		Max offer price [US\$/HK\$/RMB]
Market Cap	7,500,000,000		9,054,567,900
Offer price:	2.61		3.15
Number of shares in issue post IPO	2,874,466,000	14,082.500	2,874,466,000
2010 forecast earnings	1,000,000,000		1,000,000,000
Forecast 2010 PE	7.5		9.1

No of existing shares <i>(Note 1)</i>	160,800
No of shares to be issued @ Capitalisation Issue <i>(Note 2)</i>	2,264,305,200
New shares to be issued at IPO (before greenshoe) <i>(Note 3)</i>	610,000,000
Number of shares in issue after IPO (before greenshoe)	2,874,466,000

Free float:	21.2213%		
International offering <i>(Note 4)</i>	549,000,000.00	90.0%	
Public offering <i>(Note 5)</i>	61,000,000.00	10.0%	
Numbers of shares under the Global Offering:	610,000,000	21.2%	

Mix of shares:			
Vendor shares <i>(Note 6)</i>	0	0.0%	
New shares <i>(Note 7)</i>	610,000,000	100.0%	
	610,000,000		

Proceeds (HK\$):			
Vendor sales <i>(Note 8)</i>	0		0
New monies <i>(Note 9)</i>	1,591,599,970		1,921,500,000
Total offering size	1,591,599,970		1,921,500,000

Shareholding structure - Pre-IPO (Founders, venture capitalists and employees)

	Number of shares	% of total share capital
Co-founders <i>(Note a)</i>	100,000	62.19%
- Co-founder A	50,000	
- Co-founder B	30,000	
- Co-founder C	10,000	
- Co-founder D	10,000	
Venture capitalist 1 <i>(Note b)</i>	20,000	12.44%
Venture capitalist 2	20,000	12.44%
Venture capitalist 3	10,000	6.22%
Chief Financial Officer (CFO)	1,000	0.62%
Chief Operational Officer (COO)	200	0.12%
Senior management staff 1	200	0.12%
Senior management staff 2	200	0.12%
Senior management staff 3	200	0.12%
Other pre-ipo investors (unconnected persons that constitute public float)	9,000	5.60%
<i>Subtotal</i>	<i>10,800</i>	<i>6.72%</i>
Total share capital	160,800	100.00%
<i>Converter (Note c)</i>	<i>14,082.500</i>	

Shareholding structure - Post IPO

Pre-greenshoe and pre-employee options

	Number of shares	% of total share capital
Founders	1,408,250,000	48.99%
- Co-founder A	704,125,000	24.50%
- Co-founder B	422,475,000	14.70%
- Co-founder C	140,825,000	4.90%
- Co-founder D	140,825,000	4.90%
Venture capitalist 1	281,650,000	9.80%
Venture capitalist 2	281,650,000	9.80%
Venture capitalist 3	140,825,000	4.90%
Chief Financial Officer (CFO)	14,082,500	0.49%
Chief Operational Officer (COO)	2,816,500	0.10%
Senior management staff 1	2,816,500	0.10%
Senior management staff 2	2,816,500	0.10%
Senior management staff 3	2,816,500	0.10%
Other pre-ipo investors (unconnected persons that constitute public float)	126,742,500	4.41%
Subtotal	152,091,000	5.29%
Global Offering		
Primary shares offering	610,000,000	21.22%
Secondary shares offering	0	0.00%
Subtotal	610,000,000	21.22%
PUBLIC FLOAT (Note i)	736,742,500	25.63%
Total	2,874,466,000	100.00%

Note 1: This is the number of shares before IPO and capitalisation issue held by founders, pre-IPO investors such as venture capitalists, senior management and employees etc.
Note 2: This is the number of shares at capitalisation issue but before IPO. At capitalisation issue, the shareholding of all pre-IPO shareholders is multiplied by a multiple called "converter".
Note 3: This is the number of new shares to be issued at IPO assuming no exercise of over-allotment option.
Notes 4 and 5: In a Hong Kong IPO, shares are offered (1) internationally by way of international placing and (2) locally by way of public offering in Hong Kong only.
Note 6: Vendor shares are shares offered in an IPO that are held by pre-IPO shareholders. These are not newly issued shares for the IPO but old shares held by pre-IPO shareholders.
Note 7: New shares are newly issued shares for the IPO as opposed to vendor shares which are shares held by pre-IPO shareholders.
Note 8: Vendor sales are proceeds from the sale of vendor shares. Vendor sales proceeds go to the pre-IPO shareholders instead of the company.
Note 9: New monies are proceeds from the sale of new shares. New monies go to the company not pre-IPO shareholders.

Note a: This is the number of shares held by the founders.
Note b: This is the number of shares held by venture capitalists.
Note c: This is the multiple used in calculating how many shares to allot to pre-IPO shareholders at capitalization issue.

Note i: In Hong Kong, the Listing Rules require that public float be at least 25% or above.

AskVenture.com - Venture Capital Funding Guide - <http://www.askventure.com>

If you have any questions or comments, or if you would like this spreadsheet in excel .xls format, please feel free to contact Andy Lau at andy@askventure.com