

**CHINA SUCCESS FINANCE GROUP HOLDINGS LTD:  
COME ON, JOIN THE CLUB – BE PATRIOTIC !**

As far as **TARGET** () can recall, there has never been a company of the nature of China Success Finance Group Holdings Ltd () (Code: 3623, Main Board, The Stock Exchange of Hongkong Ltd) that has pitched an **Initial Public Offering (IPO)** in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

China Success describes its business as being:

*'... a leading guarantee service provider offering financial and non-financial guarantee services and financial consultancy services in Foshan City, Guangdong Province, the PRC. We aim to provide integrated financial services to enterprises, mainly SMEs (Small and Medium Enterprises), in China to assist them to improve their overall fund-raising capabilities and enable them to obtain funding for business development.'*

This Company has a nine-year history and it appears to be doing quite nicely, all things considered, including what must be certain constraints on business.

But it is hardly a very exciting investment vehicle on which potential shareholders would like to take a ride, under normal conditions.

For true patriots of the Government of the PRC, however, this might well be their choice of a publicly listed company in which to sink some money.

### **The IPO**

The Global Offering Prospectus of China Success, dated October 31, 2013, states that it is Offering 100 million, one-cent Shares at an Indicative Offer Price Per Share, ranging from \$HK1.80 to \$HK2.80.

Of the total number of shares on Offer, 10 million shares have been designated as being '*Public Offer Shares*' and the remaining 90 million shares are reserved for International Investors.

At the midpoint of the Indicative Offer Price Per Share, that is \$HK2.30, the Company estimates that it will net about \$HK179.40 million.

That amount of money will be utilised, one is told at Page 276 of the Global Offering Prospectus, for the following purposes:

1. Approximately, 60 percent of the net proceeds, that is about \$HK107.70 million, '*to expand our financial capability by increasing our net asset value, registered capital and/or paid-up capital*';
2. Approximately, 30 percent of the net proceeds, that is about \$HK53.80 million, '*to pursue potential merger and acquisition opportunities within the industry to further expand our business and service offerings*'; and,
3. Approximately, 10 percent of the net proceeds, that is about \$HK17.90 million, to be used as Working Capital.

Point Number One, especially the part that states ‘*by increasing our net asset value, registered capital and/or paid-up capital*’ is, also, a first, as far as **TARGET** can recall, going back to this medium’s beginnings in January of 1971.

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