

**HANHUA FINANCIAL HOLDING COMPANY LTD:  
ANOTHER SUCCESS STORY  
THAT SHOULD HAVE A REASONABLE FUTURE**

Having felt more than a little squeamish about trying for a successful listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in February, this year, Management of Hanhua Financial Holding Company Ltd () (Code: 3903, Main Board, The Stock Exchange of Hongkong Ltd), quite obviously, feels that this second attempt will bear the fruit that it covets: About \$HK1.96 billion, in fact ... if not more.

On January 28, 2014, Management of Hanhua Financial Holding pitched its Global Offering on the Main Board, but, on February 7, it determined not to proceed due to what it claimed were '*the prevailing volatile market conditions*' in the HKSAR.

Clearly, today, this finance company feels that it has a fairly decent chance of catching the golden ring on the HKSAR's equity '*merry-go-round*' and so it has published and disseminated a second Global Offering Prospectus, Offering of 1.15 billion, one renminbi '*H*' Shares at the Indicative Offer Price Per Share, ranging from \$HK1.55 to \$HK2.05.

Of the total number of shares in this Global Offering, HKSAR Investors are being Offered 115 million Shares and International Investors are being Offered the remaining 1,035,000,000 Shares.

Management has stated, at Page 347 of the Global Offering Prospectus, that, assuming the Offer Price is pitched at the midpoint of the Indicative Offer Price, being \$HK1.80, it will net about \$HK1,957.20 million.

That not insignificant amount of money is to be earmarked for the following purposes:

- '*Approximately 70%, or HK\$1,370.1 million, will be used to increase the capital base of our micro and small loan business. We plan to expand our micro and small loan business and enhance its market position by establishing new micro and small loan subsidiaries across China;*
- '*Approximately 20%, or HK\$391.5 million, will be used to increase the capital base of our credit guarantee business. We plan to expand our credit guarantee business and enhance its competitive advantages through establishing new credit guarantee subsidiaries or branch offices across China; and,*
- '*Approximately 10%, or HK\$195.6 million, will be used to (i) develop and offer new products and services to satisfy the diverse financing and business needs of SMEs (Small and Medium-Sized Enterprises) and microenterprises, and (ii) replenish our working capital and for general corporate use.'*

**The Business**

Hanhua Financial Holding makes the claim of being '*a leading, integrated, credit-based guarantee and SME financing solutions provider in China with an exclusive focus on SMEs and microenterprises across*

China.'

The Company is just a whisker under 10 years old, having first seen the light of day with the incorporation in the PRC in 2004 of Chongqing Hanhua Credit Guarantee Company Ltd ( ) with a Registered Capital of 100 million renminbi. This company was established in order to provide guarantee services to SMEs and microenterprises.

Chongqing Hanhua ... [CLICK TO ORDER FULL ARTICLE](#)

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