

**CENTRAL CHINA SECURITIES COMPANY LTD:  
THIS IS A FAIRLY DECENT COMPANY FOR GAMBLERS**

In today's world, where change is inevitable, and where dramatic changes can often be as commonplace as the daily change of one's underwear, trying to beat the odds on equity markets can only be considered a long shot, even at the best of times.

In the world of securities trading, a single trader can often get his sums wrong – and, then, without warning, his world and even that of his employer can crumble into dust.

Central China Securities Company Ltd () (Code: 1375, Main Board, The Stock Exchange of Hongkong Ltd) is *'the only securities firm registered and headquartered in Henan which is the most populous province in China with the highest GDP (Gross Domestic Product) among the 18 provinces in the central and western regions of China'*.

This is according to Central China Securities's Global Offering Prospectus, dated June 11, 2014.

In the opinion of **TARGET** (), this Company could well be headed for somewhat of a fall if it continues along its present, chosen path and down that new road that it intends to traverse, as stated in its Prospectus.

Central China Securities is scheduled to announce, next Tuesday (June 24), the results of the take-up of its Offering of 598.10 million, one-renminbi Shares at the Indicative Offer Price Per Share, ranging from \$HK2.51 to \$HK3.14.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) are Offered 59.81 million 'H' Shares while International Investors are Offered 538.29 million 'H' Shares.

At Page 313 of the Global Offering Prospectus, it is stated that this Company has come to the premier equity market of the HKSAR in order to raise money for the following purposes:

- Approximately \$HK791.20 million, being about 50 percent of the net proceeds, assuming that the Offer Price Per Share is struck at the midpoint of the Indicative Offer Price, being \$HK2.83, *'to further develop our margin financing and securities lending business by leveraging our competitive strengths in the securities brokerage business and increasing the penetration rate among our existing clients qualified for margin financing and securities lending'*;
- Approximately \$HK395.60 million, being about 25 percent of the net proceeds, *'to develop our capital based intermediary business to meet our client needs in investment and financing, including: (i) expanding our securities-backed lending and securities repurchase, (ii) gradually engaging in OTC-based products and market-making; and (iii) actively expanding other capital-based intermediary business to be approved by the CSRC (the China Securities Regulatory Commission ())'*; and,
- Approximately \$HK395.60 million, being about 25 percent of the net proceeds, *'to increase investments in fixed-income securities and other proprietary trading products, and increase the registered capital of ZDKY Venture Capital (Zhongding Kaiyuan Venture Capital Management Company Ltd []) for prudently expanding our direct investment business.'*

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