

**COGOBUY GROUP:
THIS LOOKS AS THOUGH IT COULD BE ANOTHER WINNER**

All things considered, Cogobuy Group () (Code: 400, Main Board, The Stock Exchange of Hongkong Ltd) has to be considered something of a success story in spite of the fact that the Company is solely dependent for its bread and butter on sales of just a few electronic items, with one in particular: Integrated Circuits (ICs).

This Company manufactures nothing, but, instead, it sells electronic products, produced by others.

The Company published and disseminated its Global Offering Prospectus on July 8, 2014, with an Offering of 343.80 million, \$US0.0000001 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK3.20 to a high of \$HK4.48.

Page One of the Global Offering Prospectus gives a précis of the Company's business in the following manner:

'We are a leading e-commerce company dedicated to serving the electronics manufacturing industry in China. We operate the largest transaction-based e-commerce platform for IC and other electronic components in China as measured by GMV (Gross Merchandise Value) in 2013, according to Analysys International (an independent industry consultant).'

The Initial Public Offering (IPO)

Of the total number of shares on Offer, 34.38 million Shares are reserved for investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) while the remaining 309.42 million Shares are reserved for International Investors (subject to reallocation and the Over-allotment Option, if any).

At the midpoint of the Indicative Offer Price Per Share, being \$HK3.84, Management estimates that the Company will net about \$HK1,253.80 million when all is said and done and all the experts have taken their share of the IPO 'pie'.

The net proceeds will be allocated to the following purposes over a period of between three years and four years, according to Pages 237 and 238 of the Global Offering Prospectus:

- Approximately, 35 percent, or about \$HK438.80 million, to expand the Company's marketing and promotional activities;
- Approximately, 30 percent, or about \$HK376.10 million, to expand and enhance the Company's e-commerce platform, investing in the Company's technology infrastructure as well as for conducting other research and development activities that is expected to benefit both the Company's direct sales and marketplace business;
- Approximately, 25 percent, or about \$HK313.50 million, to fund potential acquisitions of, or investment in, technologies and complementary online businesses, partnerships and licensing opportunities; and,
- Approximately, 10 percent, or about \$HK125.40 million, to be tipped into the General Working Capital Account.

Prior to pitching this IPO, Management had cornered three investors to participate in this cash-raising exercise, called, in the jargon of IPOs, Cornerstone Investors.

These three Institutional Investors had, in aggregate, agreed to spend \$US50 million (about 312 million renminbi, using the Global Offering Prospectus's exchange rate of 6.23 renminbi = \$US1.00).

The three Cornerstone Investors ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published,
TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*