

**BOCOM INTERNATIONAL HOLDINGS COMPANY LTD:
THE FINANCIALS LEAVE A LOT TO BE DESIRED**

A facet of BOCOM International Holdings Company Ltd () (Code: 3329, Main Board, The Stock Exchange of Hongkong Ltd) is that this securities and financial services company is highly unlikely, ever, to become insolvent.

But that does exclude the possibility of this spin-off of Bank of Communications Company Ltd () (hereinafter referred to as just BOCOM), a company that is, also, listed on the Main Board of The Stock Exchange of Hongkong Ltd, being Stock Code, Number 3328, cracking the whip over its 19 year-old ‘child’.

BOCOM is a bank that is said to be among the most-important commercial banks, domiciled in The People’s Republic of China (PRC), today.

BOCOM International is quite likely to be unable, or unwilling, for one reason or another, to recommend the payment of a dividend to its minority shareholders, especially with BOCOM, looking over its proverbial shoulder.

The Controlling Shareholder of Bank of Communications Company Ltd is the Government of PRC.

The Initial Public Offering (IPO) Of BOCOM International Holdings Company Ltd

BOCOM International Holdings Company Ltd published and disseminated its Global Offering Prospectus in the Hongkong Special Administrative Region (HKSAR) of the PRC on May 5, 2017.

It Offered a total of 666,680,000 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK2.60 to a high of \$HK3.10.

HKSAR Investors were Offered 66,668,000 Shares and International Investors were Offered 600,012,000 Shares.

On May 18, 2017, Management of BOCOM International announced that the Offer Price Per Share had been determined at \$HK2.68 – that is eight cents higher than the lowest, acceptable level of the Indicative Offer Price Per Share – and that the Company anticipated that it would net about \$HK1,684.10 million from the IPO.

The HKSAR, Public Share Offer tranche had been over-subscribed by about 2.53 times and the HKSAR, International Share Offer tranche had been ‘*moderately over-subscribed*’, one was informed in the May 18 announcement.

Based on the Offer Price Per Share, being \$HK2.68, Management of BOCOM International stated that it intended to utilise the net proceeds of \$HK1,684.10 million as follows:

1. Approximately, 45 percent of the net proceeds, that is about \$HK757.90 million, ‘*to be used for expanding our margin financing business, particularly by contributing capital to our margin financing business to satisfy the financing needs of our clients*’;

2. Approximately, 15 percent of the net proceeds, that is about \$HK252.60 million, '*to be used for expanding our asset management and advisory business*';
3. Approximately, 10 percent of the net proceeds, that is about \$HK168.40 million, '*to be used for expanding in our investment and loans business*';
4. Approximately, 10 percent of the net proceeds, that is about \$HK168.40 million, '*to be used for developing our IT (Information Technology) infrastructure and internal control systems*';
5. Approximately, 10 percent of the net proceeds, that is about \$HK168.40 million, '*to be used for attracting and retaining talents as well as optimising our human resources structure*'; and,
6. Approximately, 10 percent of the net proceeds, that is about \$HK168.40 million, '*to be used for working capital and general corporate purposes*'.

The History And Business Of BOCOM International Holdings Company Ltd

Management of BOCOM International Holdings Company Ltd is about 19 years old and, according to the Global Offering Prospectus, it is, today, '*a well established and the only integrated platform for securities and related financial services of BOCOM (Bank of Communications Company Ltd)*' in the HKSAR.

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