

BHCC HOLDING LTD:
SOMETIMES, ONE'S MIND BOGGLES IN TRYING TO
UNDERSTAND THE SEEMING LOGIC OF CERTAIN PEOPLE

With just five major customers on which to rely for its bread and butter, another company, domiciled in The Republic of Singapore, came to the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in order to raise some alleged '*well-needed*' cash.

The Singapore-based company is BHCC Holding Ltd (Code: 1552, Main Board, The Stock Exchange of Hongkong Ltd).

BHCC Holding Ltd published and disseminated its Share Offer Prospectus on August 29, 2017.

This Company Offered 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 45 cents to a high of 60 cents.

HKSAR Investors, those fleet of foot, that is, were Offered 20 million Shares and the remaining 180 million Shares were Placed with Institutional/Professional/Compulsive Investors wherever they could be located.

It is very obvious that prior to the publication and dissemination of this Company's Share Offer Prospectus, Senior Management (or minions in its employ) had, already, located buyers for the 200 million Shares.

This is self-evident since Application Lists closed on Friday, September 1, 2017, on the same day that Application Lists opened.

Next Monday, according to the Company's Share Offer Prospectus, it is expected that Management will inform the Investing Public of the HKSAR as to final Offer Price Per Share.

Trading in the Company's shares is anticipated to commence on next Tuesday, September 12, 2017.

The Initial Public Offering (IPO) Of BHCC Holding Ltd

At the midpoint of the Indicative Offer Price Per Share, being 52.50 cents, Management of BHCC Holding Ltd anticipates that it will net about \$HK77.40 million (about \$S14.07 million) from this cash-raising exercise, according to Page 283 of the Share Offer Prospectus.

This amount of money is destined to be utilised as to:

- Approximately, \$HK31.00 million, that is about 40.10 percent of the net proceeds, *'will be used to purchase of equipment and machinery by 31 December 2019 to strengthen our market position in the construction industry as our Group increases the number and/or scale of projects we secure'*;
- Approximately, \$HK20.80 million, that is about 26.90 percent of the net proceeds, *'will be used as initial capital contribution required for larger value projects by 31 December 2018. Our cash outflows precede our cash inflows for our projects as we have to make payment to our subcontractors and our suppliers prior to obtaining progress claims from our customers. As at the Latest Practicable Date (August 21, 2017), we have not earmarked this capital to a specific project but we intend to apply this capital for higher value contracts which we may bid as our CW01 workhead for "General Building" is upgraded to "A1" grading in May 2017 whereby we will be able to bid for public sectors project of unlimited tender value'*;
- Approximately, \$HK13.90 million, that is about 17.90 percent of the net proceeds, *'will be used for expansion of our workforce to support our business expansion by 31 December 2019 and generally expected to cover two years worth (sic) of staff costs for the new hires (training costs is not expected to be material and will be funded using internal source of funds)'*;
- Approximately, \$HK8.00 million, that is about 10.30 percent of the net proceeds, *'will be used to improve our productivity via investments in BIM (Building Information Modelling) and ERP (Enterprise Resource Planning) by 31 December 2019'*; and,
- Approximately, \$HK3.70 million, that is about 4.80 percent of the net proceeds, *'will be used for additional working capital and other general corporate purposes for the two years ending 31 December 2018.'*

The Business Of BHCC Holding Ltd

The business ... [CLICK TO ORDER FULL ARTICLE](#)

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