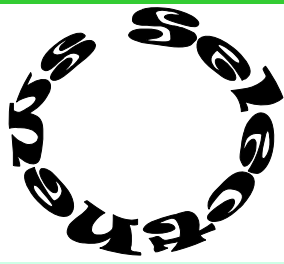


The News Select will be resumed from this month.
Thank you for your attention and wish the readers Merry Christmas and
Happy New Year!



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Fund Raising

Presently, the Mainland debts market are performing in various formats where you can touch with trust schemes, shadow banks and to fixed loans. People involved find it difficult to affirm whether they can get their amount invested upon the maturity date.

Recently, a columnist of HKEJ Mr. Fong made an article concerning about "An Era of Encouraging Loans" in which extra-low interest rates and the chance of upward changing interest is not obvious. The current low interest rate suggests that a further lowering rate is not impossible. Fund raising is so not difficult. And at the same time where cash is superfluous, investors find it very difficult to place their wealth for appreciation. The investment team of insurance companies also face the same problem when they are required to maintain a profitable position with the insurance premium collected from customers. The Grade A products are badly sought with in the market.

The listed company where the writer serves as an INED made several rounds of debt redemptions in order to enjoy lower rates with new loans, less than 3% to repay high rates of previous loans, about 8% before listing.

The Zhejiang Provincial Energy Group (Zhejiang Energy) take a lead in its debts offering. With its HK subsidiary, Zhejiang Energy Group (HK), it offers a debt of US\$300 million for 3 years with a rate of 2.351%, while the current Shanghai interest rate was 5.76%. This debt is endorsed by J P Morgan and Standard Chartered Bank as A grade without guarantee, the higher ranking so far obtained by Chinese electricity enterprises and Provincial State enterprises in overseas debt instruments, together with the lower interest rates. Zhejiang Energy is wholly owned by the State Assets Supervision Committee of the Provincial Government and the only enterprise which is engaged in energy production and investment of the Province. With these features, its enlarged energy can be easily absorbed by the local network. The usual worry that the increased energy may not be accepted by the market could be avoided, as the electricity company would give a yes for the additional energy.

Zhejiang people are born traders and able to

create tremendous ways of doing business. Ma Yuan of Alibaba is one of the Zhejiang models. According to the "Woo Yun 2014 Global Top Rich Men", the top ten in China is all Zhejiang born or traded in this place. A county in Zhejiang is reported to have 10 listed companies in the China market. HK people in the finance industry should pay their attention to look future in the Zhejiang market.

Pan-China HK is currently handling an IPO case floating here. In the meantime, it also gets involved in this debt raising activities.

The audit services in this exercise for the years ending 31 December 2011 to 2013 were conducted by Pan-China HK and the Hangzhou Headquarters, in accordance with PRC Accounting Practice.

The total sum of subscription is US\$300 million and according to the Prospectus, the net sum collected is US\$296 million. That is to say, the total cost and expenses are around US\$4 million. It is up to the enterprise to decide whether this is a good deal but, anyway, it is not considered as

expensive as IPO, given the time involved and the efforts exalted.

The Prospectus is only printed in the English version. If a Chinese version could be prepared as well, it would benefit more readers.

The Prime Minister Mr. Li held a conference with several academics and businessmen on 3 November 2014, stressing that there must be an upgrade economic transformation. This would involve new and traditional industries "stepping on". Efforts should be given to new technology, new paradigm, new attitude and new operational development for "fertilizing". Concurrently, the traditional industries will also be digging further to cultivate.

Some businessmen state that profits of electrical companies are derived from villages inhabitants which amount to 3 times of civilized areas. As mentioned, those villagers having started net-procurement for half a year, will maintain to put 50% of their purchases through the net, much more than city people. In other word, the growth of electricity consumption will be doubled or much more than before, not to mention the "charging" of mobile phones to cater for games and various exercises.

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