

**ZHUZHOU CSR TIMES ELECTRIC COMPANY LTD:
WHO PAYS 61 TIMES EARNINGS PER SHARE ?**

If the calibre and expertise of the most Senior Management of Zhuzhou CSR Times Electric Company Ltd () (Code: 3898, Main Board, The Stock Exchange of Hongkong Ltd) had been the major determinant as to whether or not prospective investors would be advised to buy shares in this Company when it pitched its **Initial Public Offering (IPO)** on December 8, 2006, then, for certain, those investors would not have put their money on the table in order to acquire any of this Company's scrip.

However, the flotation of Zhuzhou CSR Times Electric was a singular success despite, what **TARGET** () would describe as, clearly, a lack of expertise in the people, supposed to be in charge of this very large company, domiciled in the People's Republic of China (PRC), a Company which fills the rice bowls of some 2,500 workers. There are only 2 Executive Directors of this Company, one being 45 years old and one being 40 years old.

They are Messrs Ding Rong Jun () and Lu Peng Hu ().

By reading the bona fides of these 2 Executive Directors, located at Page 135 of the Global Offering Prospectus, dated December 8, 2006, one should, if logic were to prevail in the role in the decision-making process about this Company, be turned off, immediately.

More about Management, later on in this analysis, because, considering the business of Zhuzhou CSR Times Electric and its most-recent history, Management is, or at least has been, sadly lacking.

If anything, the people, heading this Company and supposed to be in charge of its operations, have, probably, been placed in their very high positions by somebody, or some PRC entity, which is high up in the political hierarchy in the PRC Government._

The Flotation

Zhuzhou CSR Times Electric went public on December 8, 2006, when it Offered 360.56 million, one renminbi Shares at \$HK5.30 Per Share.

The International Placing tranche and the Public Offer tranche of this IPO were 180.28 million Shares, each.

To say that the flotation was very well received would be an understatement because, for the Public Offer tranche, originally set at 36,056,000 Shares, a total of 191,195 valid applications for shares were received for a total of 7,401,211,000 Shares.

On December 21, 2006, it was announced that the Over-Allotment Option of 54,084,000 Shares, granted to the Sole Global Coordinator, had been exercised in full.

From the flotation, therefore, Zhuzhou CSR Times Electric ended up with \$HK2,066,000,000.

A very nice chunk of change!

As at September 30, 2006, the total indebtedness of Zhuzhou CSR Times Electric was 220,197,000 renminbi, all of which is current, that is, due within one financial year.

However, the Consolidated Balance Sheet, at Appendix I-37 of the Prospectus, indicated that, as at June 30, 2006, the Company had cash and cash equivalents of about 117.50 million renminbi.

In summary, therefore, it would appear that, at the time of the IPO, this Company was without any material debt.

The reasons for the IPO, it ... [CLICK TO ORDER FULL ARTICLE](#)

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