

**SHANGHAI JIN JIANG INTERNATIONAL
HOTELS (GROUP) COMPANY LTD:
THE CURRENT SHARE PRICE IS RIDICULOUS !**

When one works for private enterprise and one is satisfied with one's lot, there is no consideration ever given about the time that one turns up for work and the time that one quits for the day.

When one is the proprietor of an entity, the job is, always, 24 hours per day, 7 days per week, 52 weeks per year.

When one works for a government, one adopts, what is known as, The Government Stroke – which is very different from the modus operandi in respect of the above situations.

When one works for the Government of the People's Republic of China (PRC), the trick is to adopt The Government Stroke, never to show too much initiative, never, never, never get involved in office politics ... and, avoid political landmines of all kinds, at all times.

Shanghai Jin Jiang International Hotels (Group) Company Ltd (()) (Code: 2006, Main Board, The Stock Exchange of Hongkong Ltd) is, as the name of the Company implies, a hotel-owning and hotel-management company.

It is controlled, completely, by the PRC Government.

Ergo, one may only expect the employees of this Company to work in accordance with The Government Stroke.

And careful analysis of the financials of this Company appears to bear out the aforementioned to a tee.

The Flotation

Shanghai Jin Jiang International Hotels went public on the Main Board of The Stock Exchange of Hongkong Ltd on November 30, 2006, when it made a Global Offering of 1.10 billion, one renminbi shares at \$HK2.20 per Share.

About 18 days after the publication of the Global Offering Prospectus, the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers exercised their respective Over-Allotment Options on behalf of international underwriters in respect of 165 million Shares in the Issued and Fully Paid-Up Share Capital of the Company.

All in all, Shanghai Jin Jiang International Hotels banked just a tad short of \$HK3 billion from these cash-raising exercises.

Jin Jiang International Holdings Company Ltd (()), a company, owned and controlled by the PRC Government, owns, today, 72.29 percent of the Issued and Fully Paid-Up Share Capital of Shanghai Jin Jiang International Hotels, with the investing public, owning 27.10 percent of the Issued and Fully Paid-Up Share Capital.

The money, raised in this flotation on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is supposed to be earmarked for the following purposes:

1. \$HK1,091.60 million to be injected into Shanghai Jin Jiang International Hotel Investment Company Ltd (), an 80 percent-owned subsidiary, the other 20 percent of the share equity of this company, being owned by Shanghai Jin Jiang International Hotels Development Company Ltd (), another subsidiary of Shanghai Jin Jiang International Hotels, which is listed on The Shanghai Stock Exchange;
2. \$HK494.80 million to be used for the refurbishment of some of the Company's hotels; and,
3. \$HK494.80 million for the repayment of bank borrowings.

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