

**CHINA HUIZHAN DAIRY HOLDINGS COMPANY LTD:
A NUMBER OF PEOPLE HAS MADE
A REAL 'KILLING' ON THIS FLOTATION**

Probably, it does not amount to the hill of beans, but **TARGET** () notes that the Directors of China Huishan Dairy Holdings Company Ltd () (Code: 6863, Main Board, The Stock Exchange of Hongkong Ltd), upon the Company's listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), were awarded a dramatic increase in their take-home pay of about 266 percent, compared with that which they were paid in the 2013 Financial Year.

In the 2013 Financial Year, ended March 31, 2013, the Directors were paid 3,003,000 renminbi (about \$HK3.80 million) and, for the Financial Year, ending March 31, 2014, they will be receiving 11 million renminbi (about \$HK13.90 million).

It could be held, of course, that the Directors were underpaid in the 2013-Year and that the 266-percent increase is well and truly justified.

But, at the same time, it is opportune and propitious that the increase in Directors' take-home pay came on the eve, so to speak, that China Huishan Dairy pitched its **Initial Public Offering (IPO)** on The Stock Exchange of Hongkong Ltd.

The Flotation

The Global Offering of China Huishan Dairy is for the sales of 3,787,596,000 Shares of the Nominal Value Per Share of 10 cents at the Indicative Offer Price Per Share of between \$HK2.28 and \$HK2.67.

Yesterday, September 26, the Company announced that the Offer Price Per Share had been struck at the highest level of \$HK2.67.

Of the total number of shares on Offer, 2,913,534,000 Shares are '*New Shares*' and 874,062,000 Shares are '*Sale Shares*'.

The Sale Shares are those that were owned, legally, by the following corporate entities:

- **Champ Harvest Ltd**, a company, domiciled in the **British Virgin Islands (BVI)** and, ultimately, owned by Ms Ge Kun (), an Executive Director of China Huishan Dairy and one of the Controlling Shareholders due to her close association with Mr Yang Kai (). Ms Ge Kun owns 10 percent of the Issued Share Capital of Champ Harvest Ltd and Mr Yang Kai, the Executive Chairman and Chief Executive Officer of China Huishan Dairy, owns the remaining 90 percent of the Issued Share Capital of that BVI company. Champ Harvest Ltd will have sold, at the end of the day, not less than 582,707,000 shares in China Huishan Dairy. At the Offer Price Per Share of \$HK2.67, Ms Ge Kun and Mr Yang Kai will gross, between them, not less than \$HK1,555,827,690 – and that is a great deal of beans on that hill about which this medium made mention in the first paragraph of this report;
- **Spring Harvest Ltd**, a company, beneficially owned by Hero Beteiligungen AG. This company will have sold 122,262,000 shares in China Huishan Dairy. Hero Beteiligungen AG is said to be an international consumer foods group, based in Switzerland. At the Offer Price Per Share of \$HK2.67, Hero Beteiligungen AG will gross not less than \$HK326,439,540;

- **Well Ease Ltd** is legally owned by Chow Tai Fook Nominee Ltd () and Crown Castle Investment Holdings Ltd. Well Ease Ltd will have sold 138,606,000 shares in China Huishan Dairy and, at the Offer Price Per Share of \$HK2.67, it will gross not less than \$HK370,078,020. Well Ease Ltd, after peeling off the corporate veil, is beneficially owned by Mr Cheng Yu Tung () who, also, has complete control over Crown Investment Holdings Ltd. Mr Cheng Yu Tung is the Honorary Chairman of Chow Tai Fook Jewellery Group Ltd () (Stock Code 1929, Main Board, The Stock Exchange of Hongkong Ltd), the Non-Executive Chairman of Lifestyle International Holdings Ltd () (Stock Code 1212, Main Board, The Stock Exchange of Hongkong Ltd), the Chairman of Melbourne Enterprises Ltd () (Stock Code 158, Main Board, The Stock Exchange of Hongkong Ltd), the former Chairman of New World Development Company Ltd () (Stock Code 17, Main Board, The Stock Exchange of Hongkong Ltd), as well as having been the former, Non-Executive Director of SJM Holdings Ltd () (Stock Code 880, Main Board, The Stock Exchange of Hongkong Ltd); and,
- **An Yu Investments Ltd**, a BVI-based company, beneficially owned by Eager Info Investments Ltd and Spring Eminent Ltd. It is beneficially owned by independent third parties. An Yu Investments Ltd will have sold 30,487,000 shares in China Huishan Dairy and, at the Offer Price Per Share of \$HK2.67, it will gross not less than \$HK81,400,290.

China Huishan Dairy ... [CLICK TO ORDER FULL ARTICLE](#)

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