

**CHINA SHUN KE LONG HOLDINGS LTD:  
FOR WHAT REASON ARE THE  
EXECUTIVE DIRECTORS PAID ONLY A PITTANCE ?**

Should the financials of the first company to seek a listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in the month of September be taken at face value without a second thought?

In the opinion of **TARGET** (), in order to evaluate, with any reasonable degree of accurately, a limited liability company's performance, the net profit attributable to shareholders should include the amount of '*reasonable*' remunerations, paid to the executive directors, those remunerations, being comparable to that which are at the market levels of the day in the region where the company operates and where the executives are stationed, not paltry sums of money that are, completely, unrealistic, and bear no resemblance to reality.

But more about these considerations, later on in this analysis.

China Shun Ke Long Holdings Ltd () (Code: 974, Main Board, The Stock Exchange of Hongkong Ltd) issued its Global Offering Prospectus on August 28, 2015, with trading in its shares, scheduled to commence this Thursday (September 10, 2015).

The Global Offering was 71.62 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK2.40 to a high of \$HK3.20.

Investors of the HKSAR were Offered 7,162,000 Shares, with the remaining 64,458,000 Shares expected to be parcelled out, internationally, as Placing Shares, presumably to institutional investors and individuals, who are known to very wealthy and willing to take a risk on a new listing.

Prior to the publication and dissemination of the Global Offering Prospectus, on August 24, 2015, Management had landed three Cornerstone Investors that, in aggregate, had agreed to subscribe for Shares at this **Initial Public Offering (IPO)**, up to approximately \$HK77.40 million.

The three Cornerstone Investors are:

1. Jiuding Saturn Ltd, a company, incorporated in the HKSAR, but being a wholly owned subsidiary of JD International Fund I, L.P. which is a limited partnership, domiciled in the Cayman Islands.

Jiuding Saturn Ltd has agreed to subscribe to Shares at this IPO with an aggregate amount of money, not exceeding \$HK39 million, excluding expenses in respect of obtaining the shares, rounded down to the nearest whole board lot of 1,000 shares;

2. Jiashili Ltd (), a company, domiciled in the **British Virgin Islands (BVI)**, but being a wholly owned subsidiary of Jiashili Group Ltd () (Code: 1285, Main Board, The Stock Exchange of Hongkong Ltd).

Jiashili Ltd has agreed to subscribe to Shares at this IPO that may be purchased up to an

aggregate sum of money, not exceeding \$HK23.40 million, excluding expenses in respect of obtaining the Shares, rounded down to the nearest whole board lot of 1,000 shares; and,

3. Mr Wang Guang Sha (), the Chairman of Foshan Yingsheng Food Limited Company (), one of the suppliers to China Shun Ke Long.

Mr Wang Guang Sha has agreed to subscribe to Shares at this IPO that may be purchased with an aggregate amount of money, not exceeding \$HK15 million, excluding expenses in respect of obtaining the Shares, rounded down to the nearest whole board lot of 1,000 shares.

Assuming the minimum acceptable Offer Price Per Share, being \$HK2.40, the three Cornerstone Investors will obtain 45 percent of the total number of Shares on Offer.

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