

SHANSHAN BRAND MANAGEMENT COMPANY LTD:**BOTTOM LINE: MANAGEMENT SEES THE NEED****OF A MUCH-LARGER CASH INJECTION****And This IPO Is Just The ‘hors d’oeuvre’**

Shanshan Brand Management Company Ltd () is one of many examples of the success of a single man with his vision of the future – and a vision that caused him to become extremely wealthy.

His name is Mr Zheng Yong Gang (), the Founder of the multi-million-renminbi, publicly listed company, Ningbo Shanshan Company Ltd (), a company, established in the People’s Republic of China (PRC), one that was listed on The Shanghai Stock Exchange (), being Stock Code, Number 600884, about seven years after this entrepreneur determined to execute his plan of producing and selling a quality brand of garments for the male customers of the country.

Mr Zheng Yong Gang, today, is deemed to have a 67.50-percent interest in the Issued and Fully Paid-Up Share Capital of Ningbo Shanshan Company Ltd, a subsidiary of which is Shanshan Brand Management Company Ltd () (Code: 1749, Main Board, The Stock Exchange of Hongkong Ltd).

Shanshan Brand Management Company Ltd is a company, the domicile of which is the PRC, proper, being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC.

The Initial Public Offering (IPO) Of Shanshan Brand Management Company Ltd

On June 12, 2018, Shanshan Brand Management Company Ltd published and disseminated its Global Offering of ‘H’ Shares on the premier equity market of the HKSAR.

The Global Offering Prospectus stated that the Company was Offering 33.40 million, one renminbi ‘H’ Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK3.28 to a high of \$HK4.91.

HKSAR Investors were Offered the opportunity to subscribe to 3.34 million ‘H’ Shares and International Investors – Institutions, Professional Investors and/or Well-Heeled business people – were Offered, via select Share Placements, 30.06 million ‘H’ Shares.

On Tuesday, June 26, 2018, the Company published the results of the Global Offering in respect of the sales of its 33.40 million Offered Shares and the determination as to the Offer Price Per Share.

The Offer Price had been struck at \$HK3.78, one was told, with the Company, estimating that it would net about \$HK65.10 million from the IPO.

This relatively modest amount of money would be allocated to the following purposes, in accordance with the ‘**USE OF PROCEEDS**’, as stated at Pages 325 through to 326 of the Global Offering Prospectus:

1. The Company intends to allocate \$HK24.61 million, that is about 37.80 percent of the net proceeds, *‘on developing our retail network in the PRC’*;
2. The Company intends to allocate \$HK16.08 million, that is about 24.70 percent of the net proceeds, *‘on deploying a variety of publicity campaigns in the PRC’*;
3. The Company intends to allocate \$HK12.56 million, that is about 19.30 percent of the net proceeds, *‘on enhancing our information technology systems, including (i) upgrading our existing ERP (Enterprise Resource Planning) systems; (ii) introducing an advanced warehouse management system; (iii) upgrading our existing inventory sharing and allocation system; (iv) introducing centralized raw material supplier management system; and (v) expanding our existing information technology facilities’*;
4. The Company intends to allocate \$HK5.34 million, that is about 8.20 percent of the net proceeds, *‘on establishing a new warehousing and logistics center’*; and,
5. The Company intends to allocate \$HK6.51 million, that is about 10.00 percent of the net proceeds, *‘for our general working capital purposes.’*

The Business Of Shanshan Brand Management Company Ltd

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