

TARGET

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ZHONGGUANCUN SCIENCE-TECH LEASING COMPANY LTD:

MANAGEMENT HAS THE DREAM OF GOING IT ALONE:

IS IT POSSIBLE ?

Has Beijing Given Avowed (Or Tacit)

Approval To The Dream ?

On scanning the Global Offering Prospectus of Zhongguancun Science-Tech Leasing Company Ltd () (Code 1601, Main Board, The Stock Exchange of Hongkong Ltd), one is drawn to one of the opening statements, found at Page One of this 506-Page publication:

*‘We are a pioneer and the most dedicated finance lease company in serving technology and new economy companies in China in terms of the percentage of revenue in 2018 generated from technology and new economy companies, according to the F&S Report. In 2018, the percentage of our revenue generated from technology and new economy companies exceeded 95%, a percentage higher than any other finance lease company in China, according to the F&S Report. We are also the fifth largest finance lease company approved by **MOFCOM** (the **Ministry of Commerce** of the **People’s Republic of China** [the **PRC**] []) serving more than four technology and new economy sectors in terms of revenue generated from technology and new economy companies in 2018, according to the F&S Report.’*

The above paragraph may, initially, seem tantalising, especially to the uninitiated reader of such public documents as this one is meant to be, because, inter alia, as one studies this 506-Page Global Offering Prospectus, one realises the existences of many contradictions, contained within its pages, and the many obfuscations that become manifest on close inspection.

At Page 98 of the Global Offering Prospectus, one notes that approximately 75 percent of the entire Issued and Fully Paid-Up Share Capital of the Company is beneficially owned by corporate organs of the Government of the PRC, with 25 percent of the Issued Share Capital, today in the hands of that which is named as being, *‘Other Public Shareholders.’*

The above, however, is not, entirely, accurate because, on understanding the composition of the Cornerstone Investors, it is evident that there is more to the above intelligence than is readily evident.

It is only when one studies the contents at Page 217 of the Global Offering Prospectus that the penny suddenly drops – because, at this Page, it is only too clear that this Company is under the direct control of The Communist Party of China ().

The following is copied, verbatim, from this Page of the Global Offering Prospectus:

‘THE COMMUNIST PARTY COMMITTEE

‘In accordance with the Constitution of the Communist Party of China (), we have established the committee of the Communist Party of the Company (the “Communist Party Committee”). The Communist Party Committee mainly assumes the following responsibilities:

- *supervising the implementation of policies of Communist Party of China (the “CPC”) and the State, and the decisions and guidance of the municipal committee, municipal government and the communist party committee of ZGC Group, in our Company;*
- *participating in decision-making of major issues of the Company, supporting the performance of their duties and responsibilities of the Directors, Supervisors and the management of our Company;*
- *establishing and improving our policies for selecting qualified and competitive management and staff to meet the principle of management of cadres by the CPC;*

- *supervising the conduct of the management, undertaking ideological and political work, leading trade union of our Company, and supporting employee representatives congress to perform its responsibilities; and,*
- *other responsibilities entrusted by the communist party committee of ZGC Group, municipal government or the CPC.'*

On digesting the above contents of Page 217, it is clear that Zhongguancun Science-Tech Leasing Company Ltd is under the proverbial thumb of PRC Government – and shall remain as such – and that all determinations of materiality require the tacit approval from the seat of power in the PRC: Beijing.

So much for objectivity and impartiality, one may be inclined to comment!

The Global Offering Of Zhongguancun Science-Tech Leasing Company Ltd

Management of Zhongguancun Science-Tech Leasing Company Ltd launched its Global Offering Prospectus on Tuesday, December 31, 2019.

The Company Offered a total of 333,334,000 '**H**' Shares, the Nominal Value Per Share, being one renminbi (**RMB**), at the Indicative Offer Price Per Share, ranging from a low of \$HK1.52 to a high of \$HK1.72.

Investors of the **Hongkong Special Administrative Region (HKSAR)** of the PRC were Offered the opportunity to subscribe to 33,334,000 '**H**' Shares (the HKSAR Public Offer Shares tranche) and International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities, in which this class of investor has equity control – were induced to subscribe to 300,000,000 '**H**' Shares (the International Offer Shares tranche).

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