

**CHINA MOLYBDENUM COMPANY LTD:  
HAVE YOU EVER HEARD OF A 50-PERCENT PROFIT MARGIN  
... FOR MINING DIRT ?**

**TARGET** () has, often, wondered whether or not, when a corporate entity, controlled by the Government of the People's Republic of China (PRC), offers fat cats of the Hongkong Special Administrative Region (HKSAR) of the PRC, the opportunity to invest very material sums of money in an **Initial Public Offering** (IPO), that '*offer*' is really an invitation to invest or a form of a disguised debit note.

In the case of the IPO of China Molybdenum Company Ltd () (Code: 3993, Main Board, The Stock Exchange of Hongkong Ltd), those HKSAR fat cats – Mr Li Ka Shing (), Dr Cheng Yu Tung (), Dr David Li Kwok Po (), and Dr Lee Shau Kee () – doubled their very material investments in a period of about one month.

In addition, the following corporate entities, also, got in on the IPO – and made a killing:

- China Life Insurance Company Ltd () (Code: 2628, Main Board, The Stock Exchange of Hongkong Ltd);
- CITIC Pacific Ltd () (Code: 267, Main Board, The Stock Exchange of Hongkong Ltd);
- Citigroup Global Markets Ltd; and,
- The Government of Singapore Investment Corporation Pte Ltd ().

Mr Li Ka Shing, via Cheung Kong (Holdings) Ltd (()) (Code: 1, Main Board, The Stock Exchange of Hongkong Ltd), and Li Ka Shing (Canada) Foundation [()] invested, in total, \$US20 million (about \$HK156 million) in China Molybdenum.

Each of the above-named fat cats and/or their respective corporate entities, also, committed to invest \$US20 million in the IPO of China Molybdenum Company Ltd so that, prior to the launching of the Global Offering of April 13, 2007, this Company had, literally, \$US160 million (about \$HK1,248,000,000) in the bank, having lobbied the faithful to the PRC Government's cause.

China Molybdenum is, as its name implies, a producer of molybdenum, which is a brittle, silvery white chemical element, Atomic Number 42, which is one of the transition metals, used in the production of steel to give it strength and resistance to corrosion.

The Company's Global Offering comprised 1,191,960,000, 0.20 renminbi Shares at the price of \$HK6.80 per Share.

That number of shares included the exercise of an Over-Allotment Option, granted to the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Joint Sponsors on behalf of International Underwriters of 108,360,000 Shares.

The result of the IPO was to embellish the cash reserves of China Molybdenum by about \$HK7.81 billion.

Of course, China Molybdenum was not short of money at the time that it pitched its IPO because, as at December 31, 2006, it had bank balances and cash of about 827.45 million renminbi.

The investing ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*