

**NOBLE JEWELRY HOLDINGS LTD:
ALL THAT GLITTERS MAY NOT BE GOLD, YOU KNOW**

If anybody had dug deeply into the Prospectus of Noble Jewelry Holdings Ltd () (Code: 475, Main Board, The Stock Exchange of Hongkong Ltd) when it launched its **Initial Public Offering (IPO)** on March 30, 2007, there would have come to light a number of matters, matters which may have required the red flag of concern to be hoisted by discriminating investors.

Adding the most recent events with some of these matters included:

1. The Chairman and Founder of the Company sold 26 million of his personal shares in the Company, grossing about \$HK39 million in the process, at the time of the IPO;
2. The Company's total outstanding borrowings, as at January 31, 2007, were standing at the record level of about \$HK192.80 million;
3. Financing costs had hit the record level of about \$HK7.14 million, during the 2006 Financial Year, and, then, in the 2007 Financial Year, hit another record high of about \$HK14.20 million, an increase of about 99 percent, Year-On-Year; and,
4. Over the Years, the Chairman had been helping to finance operations of this jewellery manufacturer by injecting his own cash into the Company.

Which makes **TARGET** () wonder as to the true reason that Senior Management of Noble Jewelry Holdings Ltd determined to go public in the first place.

The Annual Report for the 2007 Financial Year, ended March 31, 2007, of Noble Jewelry was released on July 25, 2007, and this Annual Report showed that bank borrowings had dropped back to about \$HK177.18 million, with about \$HK169.73 million, being due within one Financial Year (the Current Liabilities, in other words).

Obviously, this sum of money will have to be rolled over because there is no method by which this Company's earnings will be able to cover this sizeable amount of money in one Financial Year.

The financing costs, during the 2006-2007 Financial Year, had hit another record level of about \$HK14.20 million, an increase, Year-On-Year, of about 99 percent.

Other key aspects with regard to the financials of this Company in respect of the 2007 Financial Year included:

- Turnover: Up 19.67 percent to about \$HK655.35 million; and,
- Net Profit Attributable to Shareholders: Up 15.94 percent to about \$HK56.29 million.

The Flotation

Noble Jewelry Holdings Ltd published its IPO Prospectus on March 30, 2007, when it Offered 78 million, one-cent Shares at \$HK1.50 per Share.

Of the total number of Shares on Offer, 26 million Shares were sold by First Prospect Holdings Ltd, a company, domiciled in the British Virgin Islands, being wholly owned by the Chairman of Noble Jewelry, Mr Johnny Chan Yuen Hing ().

The flotation was, in terms of the Hongkong Special Administrative Region (HKSAR) of the People's

Republic of China (PRC), a success; Noble Jewelry netted about \$HK66.60 million for its hard work.

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