

**HENGXING GOLD HOLDING COMPANY LTD:
NO, NO, NO, THANK YOU !**

No matter how one cuts it, purchasing shares in Hengxing Gold Holding Company Ltd () (Code: 2303, Main Board, The Stock Exchange of Hongkong Ltd) is a gamble, the odds of beating the house, being somewhere between zero and infinity.

Hengxing Gold is the latest company to pitch a Global Offering on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The Company is Offering 231.25 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.60 to a high of \$HK2.00.

HKSAR investors are being Offered 23,128,000 Shares and International Investors are being Offered 208,122,000 Shares.

At the midpoint of the Indicative Offer Price Per Share, being \$HK1.80, the Company expects to net about \$HK375.20 million, it is stated at Page 205 of the Global Offering Prospectus.

The money, hoped to be generated from this Public Offering, is expected to be utilised as follows:

- About \$HK150.10 million, being about 40 percent of the net proceeds, to '*Finance our CIL Project* by the end of 2015. We plan to invest approximately RMB182 million in CIL Project, which will be partially funded by proceeds from the Global Offering. We plan to allocate 32% of these proceeds to construct and install the carbon-in-leach production and ancillary facilities and purchase relevant equipment; and 8% to acquire land use right, hire project design and supervisory experts, implement work safety measures and apply for relevant licenses*';
- About \$HK138.80 million, being about 37 percent of the net proceeds, to repay, '*a portion of outstanding loans with interests (sic) and advances from our Controlling Shareholder Mr. Ke (Mr Ke Xi Ping [], the Executive Chairman of the Company) upon Listing. The shareholder loans we borrowed from Mr. Ke are unsecured, interest-bearing and repayable in 2016. The interest rate was 5.52%, 5.12% and 5.12%, per annum, as of December 31, 2011, 2012 and 2013, respectively. The advances from Mr. Ke are unsecured, interest-free and repayable on demand. We primarily used the proceeds of these loans and advances in our operating and investing activities*';
- About \$HK37.50 million, being about 10 percent of the net proceeds, to '*Finance our potential acquisitions of gold mineral resources and/or gold mining companies. As of the Latest Practicable Date, we did not have any specific acquisition target*';
- About \$HK37.50 million, being about 10 percent of the net proceeds, to '*Finance our future exploration works at the Gold Mountain Mine and its surrounding areas for which we hold exploration licenses*' and,
- About \$HK11.30 million, being about three percent of net proceeds, to be used as Working Capital.

* CIL Project = A project that is designed to utilise carbon-in-leach technology in order to produce gold.

The History and Business

It should be readily apparent to **TARGET** () Subscribers, at this point, that Hengxing Gold is a gold-mining, start-up company ... [CLICK TO ORDER FULL ARTICLE](#)

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