VOLUME XIX No. 49 S A T U R D A Y March 4, 2017

XIANGXING INTERNATIONAL HOLDING LTD:
MANAGEMENT SPENT $HK23.48 MILLION IN ORDER
TO OBTAIN $HK16.22 MILLION, NET, BY LAUNCHING AN IPO

For the second time in a period of a little more than one month, the Controlling Shareholders of a company, seeking a listing on the secondary equity market of The Stock Exchange of Hongkong Ltd, have undertaken not to dispose of their shares for at least two years, following the expiry of the restraints, imposed on them under the Listing Rules.

On January 17, 2017, contained in **TARGET**'s analysis of LKS Holding Group Ltd () (Code: 8415, The **G**rowth **E**nterprise **M**arket [the **GEM**] of The Stock Exchange of Hongkong Ltd), the two Controlling Shareholders went on record, stating that they had contracted not to sell their shares for two years, also, after the expiry of the imposed restraints under the GEM Listing Rules.

In that January 17 analysis, this medium stated, definitively, that this policy was quite likely to catch fire with regard to other **I**nitial **P**ublic **O**fferings (**IPO**s).

And, now, it has come to pass.

The latest company to follow the lead of LKS Holding Group Ltd is Xiangxing International Holding Ltd () (Code; 8157, The GEM).

At Page 45 of the Placing Prospectus of Xiangxing International, it is stated:

> '*The Controlling Shareholders have undertaken that any disposal of the Shares held by them will be subject to constraints for an additional 24 months in addition to the requirement under the GEM Listing Rules. There is no assurance that such undertaking will not be waived and such waiver can be granted without recommendations of the independent committee of the Board and/or the approval of the independent Shareholders.*'

The IPO Of Xiangxing International Holding Ltd

Xiangxing International Holding Ltd published and disseminated its Placing Prospectus on February 20, 2017.

Management stated that it was desirous of Placing 250 million, one-cent Shares at the Placing Price Per Share, ranging from a low of 22 cents to a high of 28 cents.

The Placing Prospectus stated, at Page 275, that, on the assumption that the Placing Price Per Share is struck at 25 cents, the Company would net about $HK39.70 million.

This amount of money is destined to be utilised as to:

> Approximately, $HK33.80 million, that is about 85.14 percent of the net proceeds, for the '*Development of empty container stacking yard*'; and,
>
> Approximately, $HK5.90 million, that is about $HK14.86 percent of the net proceeds, for '*Investing in container-related handling equipment to assist in the expansion of our*

business'.

The reasons for this Company to go public on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) are, inter alia, to permit Management '*to have access to the capital market for future fund-raisings*' and to embellish the Company's profile. (Page 274)

The 250 million Placing Shares represents 25 percent of the Issued and Fully Paid-Up Share Capital of the Company.

The remaining 75 percent of the Issued Share Capital is beneficially owned by Messrs Cheng You Guo () and Chen Qi Shi ((), as to 56.25 percent and 18.75 percent, respectively **...** **CLICK TO ORDER FULL ARTICLE**