

Golden Elephant Glass Technology, Inc.  
Form S-1  
August 29, 2008

---

As filed with the Securities and Exchange Commission on August 29, 2008

Registration No. 333-

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

---

FORM S-1

REGISTRATION STATEMENT UNDER  
THE SECURITIES ACT OF 1933

GOLDEN ELEPHANT GLASS TECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction of  
incorporation or organization)

**3211**  
(Primary Standard Industrial  
Classification Code Number)

**88-0309578**  
(I.R.S. Employer  
Identification No.)

**Golden Elephant Glass Technology, Inc.**  
**123 Chuangye Road, Haizhou District**  
**Fuxin City, Liaoning Province, PRC 123000**  
**Telephone: (86) 418-3995066**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

---

Copies to:

Louis A. Bevilacqua, Esq.  
Thomas M. Shoesmith, Esq.  
Joseph R. Tiano, Jr., Esq.  
Thelen Reid Brown Raysman & Steiner LLP  
701 8<sup>th</sup> Street, N.W., Washington, D.C. 20001  
+1 202 508 4000

(Names, addresses and telephone numbers of agents for service)

---

Approximate date of commencement of proposed sale to public:

As soon as practicable after this Registration Statement becomes effective. If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.  Q

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Edgar Filing: Golden Elephant Glass Technology, Inc. - Form S-1

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

..

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

..

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer       Accelerated Filer       Non-Accelerated Filer       Smaller reporting company  
(Do not check if a smaller reporting company)

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered(1)(3)	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price(2)	Amount of registration fee
Common stock, \$0.01 par value per share (3)	5,561,475	\$6.00	\$33,368,850	\$1312

(1)

In accordance with Rule 416(a), the Registrant is also registering hereunder an indeterminate number of shares that may be issued and resold resulting from stock splits, stock dividends or similar transactions.

(2)

Estimated pursuant to Rule 457(c) of the Securities Act of 1933 solely for the purpose of computing the amount of the registration fee based on the average of the high and low prices reported on the OTC Bulletin Board on August 26, 2008, the last trading date of the Company's stock.

(3)

Represents shares of the Registrant's common stock being offered by the selling stockholders named in the Registration Statement.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

Edgar Filing: Golden Elephant Glass Technology, Inc. - Form S-1

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**PROSPECTUS**

*Subject to completion, dated August 29, 2008*

**GOLDEN ELEPHANT GLASS TECHNOLOGY, INC.**

**5,561,475 Shares of Common Stock**

This prospectus relates to 5,561,475 shares of common stock of Golden Elephant Glass Technology, Inc. that may be sold from time to time by the selling stockholders named in this prospectus.

We will not receive any proceeds from the sales by the selling stockholders.

Our common stock is quoted on the OTC Bulletin Board maintained by the Financial Industry Regulatory Authority, or FINRA, under the symbol GOEG.OB. The closing bid price for our common stock on August 26, 2008 was \$6.00 per share, as reported on the OTC Bulletin Board.

Any participating broker-dealers and any selling stockholders who are affiliates of broker-dealers may be underwriters within the meaning of the Securities Act of 1933, as amended, or the Securities Act, and any commissions or discounts given to any such broker-dealer or affiliate of a broker-dealer may be regarded as underwriting commissions or discounts under the Securities Act. The selling stockholders have informed us that they do not have any agreement or understanding, directly or indirectly, with any person to distribute their common stock.

**Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page 8 to read about factors you should consider before buying shares of our common stock.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this Prospectus is \_\_\_\_\_, 2008.



TABLE OF CONTENTS

	<u>Page</u>
PROSPECTUS SUMMARY	1
RISK FACTORS	8
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	22
MARKET DATA AND FORECASTS	22
USE OF PROCEEDS	23
DETERMINATION OF OFFERING PRICE	23
DILUTION	23
MARKET FOR OUR COMMON STOCK AND RELATED STOCKHOLDER MATTERS	23
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	25
CORPORATE STRUCTURE AND HISTORY	38
OUR BUSINESS	39
MANAGEMENT	48
EXECUTIVE COMPENSATION	49
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	50
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	51
CHANGE IN ACCOUNTANTS	53
SELLING STOCKHOLDERS	53
DESCRIPTION OF SECURITIES TO BE REGISTERED	57
SHARES ELIGIBLE FOR FUTURE SALE	58
PLAN OF DISTRIBUTION	59
LEGAL MATTERS	62
EXPERTS	62
WHERE YOU CAN FIND MORE INFORMATION	62
FINANCIAL STATEMENTS	63

**You should only rely on the information contained in this prospectus. We have not, and the selling stockholders have not, authorized any other person to provide you with different information. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus is accurate only as of the date on the front cover, but the information may have changed since that date.**

## PROSPECTUS SUMMARY

*The items in the following summary are described in more detail later in this prospectus. This summary provides an overview of selected information and does not contain all of the information you should consider. Therefore, you should also read the more detailed information set out in this prospectus, including the financial statements, the notes thereto and matters set forth under Risk Factors.*

### **The Company**

We are a leading China-based float glass manufacturer. Our product offerings include float glass, ultra-clear glass (also called crystal glass), colored float glass and high grade, glass processed products such as mirrors, glass artwork, tempered glass, insulated glass, laminated glass, lacquered glass and similar products. We have been manufacturing our glass products from our production facility in Fuxin City, Liaoning Province, China since 2002 and sell our products to end users in China, Asia, Europe, South America and South Africa. We ranked second in the Northeast China glass market based on sales revenues and production capacity according to a report issued by China Construction Products Quality Supervision Association.

We design, develop, manufacture and market our products for use in a variety of end products, including automobiles, commercial and residential buildings, construction materials, furniture and display cases, lighting fixtures and decorative glass artwork, bath fixtures and electrical household appliances, such as refrigerators and microwave ovens. We sell our products to automakers and auto parts suppliers, building contractors and building material suppliers and manufacturers of retail goods, both directly and through a broad distributor network. Our major customers and suppliers include Anshan Xingsheng Glass Distribution Office, Fuxin Economic and Technological Development Zone Guangyao Materials Center, Guangzhou Jingyao Glass Co., Ltd., Jilin Hongda Industrial Co., Ltd., Hengrui Wooden Cases Factory, Fuxin Laixi Commerce and Trade Co., Ltd. and Fujian Chengda Glass Trade Co., Ltd.

Our glass and glass products are manufactured in a broad range of colors and specifications which are usually measured by thickness and width and range between 2-23 millimeters in thickness and 3,300 millimeters in width. Our glass products are marketed primarily under the Golden Elephant brand name. Our total annual production capacity of our glass products is currently 4.95 million weight cases and we maintain two production lines which have an aggregate daily melting capacity of over 800 tons.

Due to our focus on research and development and use of technologically advanced production methods and our utilization of cost efficient raw materials, we have become a low cost provider of high quality products. Our glass products have been given a GB 11615-199 certification by the Chinese National Quality Standards for glass products and passed the annual inspections conducted by Chinese National Glass Inspection Committee since 2004. Our products also have been certified by ISO 9001-2000, a Chinese Quality System and ESC certification, a European Quality Certification for construction products, with the valid term from March 24, 2007 to March 24, 2010. We transport our products by train and expressway.

Our sales revenue increased from \$24.58 million in 2005 to \$48.13 million in 2007 and our net income increased from \$457,798 in 2005 to \$6.86 million in 2007.

### **Our Industry**

The glass industry is an important basic raw material industry which reached \$46 billion in global sales during 2006 according to Analyzed Report on Investment and Development of Chinese Glass Industry (2006-2007). Glass and glass products are widely applied in the construction,

automotive, decoration, consumer electronics and hi-tech industries. China, Europe, Japan and North America account for over 75% of the total production capacity of flat glass.

Global demand for flat glass is expected to rise 5.2% annually through 2010 with the strongest gains in fast developing regions such as greater Asia, especially China and India. Much of this growth is being driven by the construction market which is making greater use of efficient glass products and by the automotive industry and also by legislation and regulations concerning safety, noise reduction and the response to the growing need for energy conservation.

In 2005, China's output of flat glass was approximately 19 million tons, or over 40% of global production capacity. The Chinese glass industry experienced a cyclical downturn through the end of 2005 due to a challenging regulatory environment, increased raw material costs and higher manufacturing costs. Industry wide sales revenue reached RMB 30.2 billion in 2005, an increase of 12.6% over 2004; however, production costs during the same period rose by 28.23%, resulting in a 68.2% decrease of net income as compared with 2004.

We believe that glass industry will be vastly improved in the near future based on favorable macro-economic factors and continuous improvements of policies and legal regulations affecting our industry. The Eleventh Five-Year Plan issued by the Central Committee of the Communist Party of China likewise predicts recovery for the glass industry with projected domestic demand for flat glass expected to reach approximately 520 million weight cases by 2010. According to a December 2006 report entitled Promoting the Regulation of Flat Glass Industry Structure issued by the National Development and Reform Commission, a reduction of manufacturing overcapacity, price stabilization during the second half of 2006 and a decline in raw material prices point towards recovery in the glass industry.

Overall, in the next five years, the glass industry is expected to experience increased demand for glass and glass products at an annual rate of 10% primarily as a result of growth in China's overall gross domestic product, or GDP, the global trend of moving manufacturing operations from high-cost areas to lower cost areas, such as China, and development of a global marketplace.

#### **Our Competitive Strengths**

We believe that the following strengths enable us to compete effectively in and to capitalize on growth of the glass industry in China:

**Leading market position.** In 2006, we ranked second in Northeast China in the glass market in terms of sales revenue and production capacity.

**Possession of developed industrial technologies.** We believe that we are the first China-based manufacturer capable of producing ultra-clear glass using self-developed technologies. We also have exclusive license to produce and use synthetic fuel oil called 520 Fuel Serum, which can be used as a substitute for heavy fuel oil.

**Highly experienced and incentivized research and development team.** We have a R&D department composed of 32 engineers with years of experiences. We are committed to developing new products, and generally launch a new product every 6 months.



***Capacity to produce a broad product mix.*** We have production lines for daily melting capacity for 500 tons of high quality float glass and 300 tons of high quality, ultra-clear and colored float glass. We also have processing line for mirrors and processing equipment for other glass products such as insulating glass, tempered glass and laminated glass.

**Low cost, high quality products.** We focus on manufacturing and selling high quality glass at competitive prices. We believe we have price advantage over most of our competitors.

**Long-term relationships.** Approximately 90% of our products are sold through a broad network of distributors with which we have had long standing relationships.

### **Our Growth Strategy**

We plan to grow our business through the following strategies:

**Leverage strength of specialty product lines.** We believe that the market for ultra-clear float glass will grow at a compound annual growth rate of 24% through 2010 based on estimated growth rates for lighting products, showcases, decorative crystal artwork, bath fixtures, household appliances, decorative building materials and solar panels. We intend to leverage our capabilities in producing specialty float glass and capitalize on the expected demand from manufacturers of these end products.

**Minimize adverse fluctuations in raw material costs.** We intend to control our raw material costs by developing in-house capabilities for sourcing key raw materials and by establishing long-term commitments with suppliers for future expected raw material requirements.

**Increase production and glass processing capacity.** We intend to expand our production and glass processing capacity by increasing and enhancing our production lines and equipment and by expanding our product mix.

**Strengthen our research and development capabilities.** We plan to invest in personnel, technology and equipment to further improve our research and development capabilities. We expect that this investment will contribute to our ability to further control our production costs and develop new high quality products.

***Capitalize on positive reputation and expertise.*** We hope to continue new product development while leveraging our strong customer relationships as a means of cross-selling our new products. We also plan to apply our existing technical and manufacturing expertise to develop innovative new product lines.

### **Our Challenges**

Our ability to successfully operate our business and achieve our goals and strategies is subject to numerous challenges and risks as discussed more fully in the section titled **Risk Factors**, including for example:

- Overcapacity of supply in the glass industry;

- Downturns in the construction and building materials, automotive or electrical household appliance industries that we serve;

- Adverse macro-economic, political, regulatory, legal and foreign exchange risks associated with international expansion;

- Any loss of our key distributors, customers or key members of our senior management;

- Our inability to meet the demand for specialty glass products; and

- Our business is seasonal with reduced sales from December to March.

You should read and consider the information set forth in **Risk Factors** and all other information set forth in this prospectus before investing in our common stock.

**Conventions**

In this prospectus, unless indicated otherwise, references to

•  
we, us, our company, our, and Golden Elephant refers to the combined business of Golden Elephant Glass Technology, Inc. and its consolidated subsidiaries, but do not include the stockholders of Golden Elephant Glass Technology, Inc.;

•  
Dollar Come refers to Dollar Come Investments Limited, a British Virgin Islands corporation and our direct, wholly owned subsidiary;

•  
Fuxin Hengrui refers to Fuxin Hengrui Technology Co. Ltd., a PRC corporation and our indirect, wholly-owned subsidiary;

•  
Fuxin Xianheng refers to Fuxin Xianheng Float Glass Co. Ltd., a PRC corporation and our indirect, wholly-owned subsidiary;

•  
China, Chinese and PRC refer to the People's Republic of China;

•  
RMB refers to Renminbi, the legal currency of China; and

•  
U.S. dollars, dollars and \$ refer to the legal currency of the United States.

**Corporate Information**

We are a Nevada holding company for several direct and indirect subsidiaries in the British Virgin Islands, or BVI, and China. Our principal operations in China are conducted through Fuxin Hengrui which is held by our direct wholly-owned subsidiary Dollar Come, a BVI corporation, and Fuxin Xianheng which is jointly held by Dollar Come and Fuxin Hengrui. Dollar Come has no active business operations other than its ownership of Fuxin Hengrui and Fuxin Xianheng. Fuxin Hengrui was incorporated in China in September 2002 and is now 100% owned by Dollar Come. Fuxin Xianheng was incorporated in April 2004 and is now 75% owned by Fuxin Hengrui and 25% owned by Dollar Come.

The following chart reflects our organizational structure as of the date of this Prospectus.

The address of our principal executive office in China is 123 Chuangye Road Haizhou District, Fuxin City, Liaoning Province, People's Republic of China, 123000. Our telephone number is (86) 418-3995066, and our fax number is (86) 418-3995010. We maintain a website at [www.hrglass.com.cn](http://www.hrglass.com.cn) that contains information about us, but that information is not part of this prospectus.

**The Offering**

Common stock offered by selling stockholders	5,561,475 shares. This number represents 19.6% of our current outstanding common stock (1)
Common stock outstanding before the offering	28,340,590 shares.
Common stock outstanding after the offering	28,340,590 shares.
Proceeds to us	We will not receive any proceeds from the sale of common stock covered by this prospectus.
Risk Factors	You should read <b>Risk Factors</b> for a discussion of factors that you should consider carefully before deciding whether to purchase shares of our common stock.

•  
Based on 28,340,590 shares of common stock outstanding as of August 26, 2008

**Summary Consolidated Financial Information**

The following table summarizes selected historical financial data regarding our business and should be read in conjunction with our consolidated financial statements and related notes contained elsewhere in this prospectus and the information under Management's Discussion and Analysis of Financial Condition and Results of Operations.

The summary consolidated statement of income for the years ended December 31, 2006 and 2007 and the summary balance sheet data as of December 31, 2006 and 2007 are derived from the audited consolidated financial statements of Dollar Come included elsewhere in this prospectus. Dollar Come and its consolidated subsidiaries conduct all our business operations and became our wholly-owned subsidiaries on March 31, 2008. We derived our summary historical consolidated financial data as of June 30, 2008 and for the six months ended June 30, 2007 and 2008 from our unaudited condensed consolidated financial statements included in this prospectus, which include all adjustments, consisting of normal recurring adjustments, that our management considers necessary for a fair presentation of our financial position and results of operations as of the dates and for the periods presented. The results of operations for past accounting periods are not necessarily indicative of the results to be expected for any future accounting period.

(All amounts, other than per share and share data, in thousands of U.S. dollars)

	Six Months Ended		Year Ended	
	2008	2007	2007	2006
	June 30,	June 30,	December 31,	December 31,
	(unaudited)	(unaudited)	2007	2006
Sales revenue	\$27,174	\$26,400	\$48,129	\$30,245
Cost of sales	20,969	20,800	36,757	31,727
Gross profit (loss)	6,205	5,600	11,372	(1,482)
Operating expenses				
Administrative expenses	1,260	1,436	2,501	1,672
Selling expenses	102	534	682	742
Total expenses	1,362	1,970	3,183	2,414
Income (loss) from operations	4,843	3,630	8,189	(3,896)
Interest income	20	5	15	16
Other income	50	55	181	105
Finance costs	738	396	1,174	764
Income (loss) before income taxes	5,296	3,507	7,439	(4,101)
Income taxes	(544)	(632)	(580)	12
Minority interests	5	-	-	443
Net income (loss)	4,757	2,875	6,859	(3,646)
Earnings per share: basic and diluted	0.20	0.12	254,043	(3,645,717)
	24,383,695	23,751,710	27	1

Weighted average number of shares outstanding: basic  
and diluted

6



Edgar Filing: Golden Elephant Glass Technology, Inc. - Form S-1

As of June 30  
2008

As of December 31  
2007 2006

(unaudited)

**Balance sheet data:**

Cash and cash equivalents	\$8	\$63	\$529
Total assets	57,357	49,209	45,741
Current liabilities	38,963	36,711	40,167
Total liabilities	38,963	36,711	40,167
Minority interests	-	-	605
Total stockholders' equity	18,394	12,498	4,969

## **RISK FACTORS**

*An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this Prospectus, before making an investment decision. If any of the following risks actually occurs, our business, financial condition or results of operations could suffer. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.*

### **RISKS RELATED TO OUR BUSINESS**

*Our business will be harmed if the glass industry in China, which has experienced oversupply problems for several years, does not realize an increase in demand at the pace we expect.*

Historically, the glass industry has been characterized by wide fluctuations in the demand for, and supply of, glass and glass products. As recently as 2005 and 2006, these fluctuations have resulted in the glass supply, especially supply of low cost and low quality glass, greatly outpacing demand for these products negatively influencing the high quality flat glass market. Within the past two years, more than 300 flat glass production enterprises have commenced business. Most of the newly established glass production enterprises are smaller businesses using outdated technologies to produce low quality flat glass. Currently, the demand for high quality float glass is considerable and over 60 new float glass production lines have become operable in China, producing float glass with higher quality, consequently supplanting the demand imported high quality float glass. The demand for high quality float products is increasing and China is starting to regulate low quality glass production factories thereby creating a more favorable competitive environment. Therefore, we believe that the glass industry is demonstrating signs of recovery. Nevertheless, any prolonged oversupply of glass could result in severe downward pricing pressure on glass manufacturers and impair our profitability.

*Our revenue will decrease if the construction and building materials, automotive or electrical household appliance industries experience a downturn.*

Our glass and glass products serve as key components in construction and building materials, automobiles and electrical household products. Therefore, we are subject to the general changes in economic conditions affecting these segments of the economy. Demand for the products using our glass and, consequently, demand for our glass products is typically affected by a number of economic factors, including, but not limited to, consumer interest rates, consumer confidence, retail trends, construction of commercial and residential building, and the level of mortgage financing. If there is a decline in economic activity in China and the other markets in which we operate or a decrease of sales of construction materials, automobiles or electrical household appliances, demand for our glass and glass products will decline and our revenue will decrease.