

**APPLIED INTERNATIONAL HOLDINGS LTD :
STILL DOING POORLY – MORE TO COME ?**

Mr Raymond Hung Kin Sang, Chairman of Applied International Holdings Ltd, has never been TARGET's favourite cup of tea.

He still isn't!

In fact, in TARGET's opinion, Chairman Raymond Hung's ranking as a businessman is, probably, on a par with the level of an oyster's personality.

In his latest missive to his shareholders, TARGET noted that, while Applied International's Turnover sank to the lowest level since prior to 1986, at least 13 years, Chairman and Mrs '*Chairman*' Hung have taken between them between \$HK11 million and \$HK12 million as their total remuneration packages.

Their combined drawings in the last Financial Year were equal to about 14 percent of the Total Turnover, and equal to about 73 percent of the \$HK16.55-million Profit Attributable to Shareholders.

Their aggregate cash drawings in 1999 were an increase of about 71 percent over that which this husband-and-wife team drew down from the publicly listed company that they control, today, and which they controlled in the 1998 Year, and the 1997 Year, and the 1996 Year ...

This is all shown very clearly on Page 32 of the 1999 Annual Report of Applied International for the Financial Year, ended June 30, 1999.

It shows that \$HK13.39 million was the total Directors' Remuneration for 1999, up from the 1998 figure of about \$HK9.02 million.

A breakdown of this \$HK13.39-million figure includes one Director, who took between \$HK6.50 million and \$HK7 million in 1999, while another Director took between \$HK4.50 million and \$HK5 million in 1999.

In 1998, there was no such expense as the Director, who took between \$HK6.50 million and \$HK7 million.

TARGET assumes that the 2 highest-paid Directors are Chairman Raymond Hung and Mrs Mimi Kar Gee Wong Hung, the latter-named, being the Finance Director, who is, also, the wife of Chairman Raymond Hung.

There are only 3 Executive Directors of Applied International, in any event, the other Director, a non-family Director, being Mr David Chin Ping Fang. He is involved in operations, mainly.

TARGET assumes, also, that Director David Chin is the Director, who is being paid between \$HK1.50 million and \$HK2 million per annum.

These 3 Directors, between them, are taking all but \$HK150,000 of the \$HK13.39 million, and it is a safe bet that Chairman and Mrs '*Chairman*' Raymond Hung are raking in about \$HK12 million of the total sum, being paid to Executive Directors.

Normally, TARGET would not be making a big thing out of Directors' Remuneration, but, in the case of this publicly listed company, it seems appropriate, as this analysis will make only too apparent.

Last Year's Results

For the Financial Year, ended June 30, 1999, Applied International turned in a Profit Attributable to Shareholders of about \$HK16.55 million.

This compared with a Loss Attributable to Shareholders for the previous Year of about \$HK44.13 million.

However, the Profit Attributable to Shareholders for the 1999 Year was accomplished, not from the Principal Activities of the Company, but by the sales of properties, has for investment purposes.

In other words, selling the *'family jewels'* brought in the bacon (please forgive the mixed metaphor).

The following Turnover analysis is taken, directly, from statistics, contained in the 1999 Annual Report:

	Turnover	Contribution to Operating Results
	<i>(All Figures Are Denominated in \$HK'000)</i>	
Trading and Manufacturing of Electronic Products	77,205	(32,250)
Trading and Manufacturing of Security Products	7,653	(3,202)
Rental Income	1,974	1,653
TOTALS	86,832	(33,799)

As for the geographic locations of business, of the 6 areas where the Company ... [CLICK TO ORDER FULL ARTICLE](#)