

**VANTAGE INTERNATIONAL (HOLDINGS) LTD :  
THE PRIVATE BANK OF CHAIRMAN NGAI CHUN HUNG**

One of the most common features of the privately owned, Chinese-operated company in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) is that family members will, willy-nilly, borrow cash from the company's kitty, interest-free, unsecured, and with no terms of repayment.

It, also, happens in publicly listed companies, but to a lesser extent and, usually, skillfully disguised through subsidiaries of subsidiaries.

When, a few years ago, Mr George Chao, a Director of Wah Kwong Shipping Holdings Ltd, when it was a publicly listed company, that is, decided to tap the honey tree of the then publicly listed company to the tune of more than \$HK200 million, he did so through a subsidiary of a subsidiary.

When the loan was discovered, he, naturally, repaid the company that which he had borrowed, stating that it was a natural oversight; and, it could have happened to anybody because he had so many other things on his mind.

The matter was, in TARGET's opinion, unforgivable -- as have been the fortunes of this shipping company that has gone from being bust, to being profitable, and back to being 'sick' again.

In the case of the new listing on the Main Board of The Stock Exchange of Hongkong Ltd, Vantage International (Holdings) Ltd (Code: 15), the Chairman of the Company, Mr Ngai Chun Hung, has been in the habit of dipping into the reserves of the Company -- in a big way.

According to Page 130 of the Prospectus of the Company, during the 1999 Financial Year and the 2000 Financial Year (Financial Year ends March 31), Mr Ngai borrowed in excess of \$HK26 million.

The amount of money that Mr Ngai borrowed was unsecured and interest-free.

As at March 31, 2000, Mr Ngai owed his Company about \$HK5.33 million.

This sum of money was retired on August 7, 2000, the Note to the Accounts states.

The sum of \$HK26 million-odd may not appear to be a king's ransom, but if one looks at this loan in terms of the Turnover of the Company for 1999, \$HK333.51 million, and the Turnover of the Company for the 2000 Year, \$HK204.35 million, it is of a material nature.

In terms of the 1999 Turnover, the \$HK26-million loan represented about 7.80 percent, whereas, in the 2000 Year, it amounted to nearly 13 percent.

The loan was nearly equal to the Net Profit Attributable to Shareholders for the 1999 Year, and about 72 percent of the Net Profit Attributable to Shareholders for the 2000 Year.

And this is the Company that has just obtained a listing on The Stock Exchange of Hongkong Ltd.

One hopes that the Chairman's little habit of borrowing money from Vantage International will cease, now that his Company has obtained a public status.

**The Company**

Vantage International is a group of companies, which is engaged in public and private sector construction works.

The Prospectus, at Page One, describes the Company's 4 main areas of work:

1. Construction of HKSAR Government institutional buildings and public housing;
2. Repairs, maintenance, renovation and fitting out of public housing and Government and other institutional buildings;
3. Civil engineering construction -- roadworks, drainage and sewerage works, water supply works and utilities; and,
4. Landslip prevention and remedial works to slopes and retaining walls.

The Group claims to have been in the HKSAR for the past 23 years, ... [CLICK TO ORDER FULL ARTICLE](#)

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