

**YEW SANG HONG (HOLDINGS) LTD :
IT WILL ALWAYS BE A PRIVATELY HELD,
HUSBAND-AND-WIFE COMPANY**

The Chairman of Yew Sang Hong (Holdings) Ltd appears to be a bit of a gambler and, although he has been a winner in prior years, there is no guarantee that he will be a winner in the coming years.

The Chairman is Mr Lai Sai Sang, also known as Mr Lai Sui Sang, and his Company is one of the latest candidates for a listing on the Main Board of The Stock Exchange of Hongkong Ltd, to be designated Stock Code 290.

According to the Placing and Public Offer Prospectus of Yew Sang Hong, about 14 percent of the Profits from Operations, during the 2000 Financial Year, ended March 31, 2000, came from wheeling and dealing in equities.

Just about all of the equity trading was in respect of securities, listed in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Page 116 of the Prospectus shows that, during the 2000 Year, this electrical engineering contracting and trading company realised gains on disposal of '*other investments*' of about \$HK5.14 million.

There was no such category of gain in the 1999 Year.

For the first 6 months of the 2001 Financial Year, ended March 31, 2001, Chairman Lai had his Company log in realised gains on disposal of '*other investments*', amounting to about \$HK1.28 million.

Everybody loves a winner, of course, but gambling is a risky business, at the best of times.

During the time that Chairman Lai was wheeling and dealing in securities, using the Company's cash, he was, also, dipping into the Company's coffers in order to fund some of his private matters.

For the 30 months to September 30, 2000, Chairman Lai Sai Sang borrowed relatively large amounts of cash from the Company, all of which were '*unsecured, non-interest bearing and without pre-determined repayment terms*':

Maximum Balances Due from Chairman Lai Sai Sang

	Financial Year ended March 31			Six Months to September 30, 2000
	1998	1999	2000	
	All Figures are Denominated in \$HK'000			
Due from Mr Lai Sai Sang	Nil	12,482	15,756	90

For many prospective investors of this Company, the above may not sit too well with them.

But it does get worse.

The Offer/Placings

Yew Sang Hong issued its Prospectus on Wednesday, April 11, just before the Easter break.

It seeks to raise about \$HK25 million, net of expenses, by Placing 20 million, New (10-cent) Shares at a Premium of 90 cents per share and, at the same time, the Company offered the investing public another 10 million shares on the same terms.

In addition, Chairman Lai Sai Sang and his wife, Executive Director Jennifer Leung Sau Che, through their private company, YSH Investments Ltd, are Placing another block of 20 million shares on exactly the same terms.

Chairman Lai Sai Sang and his wife will pocket their \$HK20 million-odd while Yew Sang Hong will lay claim to \$HK25 million.

Not bad going for Chairman Lai Sai Sang, et al.

The money, raised in this flotation, will be used, the Prospectus states, as follows:

1. \$HK9 million *'for potential investments in or acquisitions of suppliers of electrical equipment and materials'*;
2. \$HK5 million *'for developing other types of building services installation including fire service installation and air-conditioning installation'*;
3. \$HK5 million as additional working capital;
4. \$HK4 million for development of business in *'trading in electrical equipment and materials in the PRC'*;
5. \$HK1 million for various testing activities of various electrical equipment; and,
6. \$HK1 million to be used as general working capital.

This Company specialises in electrical engineering contracting, especially low voltage electrical systems, including electrical wiring systems, power supply systems, lighting systems and security systems.

Public sector projects is Yew Sang Hong's *'meat'*, at least, that has been the situation for the past 42 months, to September 30, 2000 ... [CLICK TO ORDER FULL ARTICLE](#)

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