

JACKLEY HOLDINGS LTD
NO BELLS AND WHISTLES, JUST PLAIN, OLD-FASHIONED CARPETS

Over the past 3 Financial Years, at least, a minority shareholder of Jackley Holdings Ltd has been lending relatively large amounts of money to the Company, unsecured and interest-free.

While the minority shareholder is not identified in the Placing and Public Offer Prospectus of this new candidate for a listing on the Main Board of The Stock Exchange of Hongkong Ltd, there are only 2 possibilities, as far as TARGET can see.

They are Mr Leung Po Hon and/or Mr Tommy Wong Ting Cheung.

These 2 gentlemen, both passive investors in Jackley since 1994, are long-term friends of Mr Lam Yat Sing, the Chairman and Founder of this Company, which will be awarded Stock Code 353 on its ascension to the list of companies, quoted on The Stock Exchange of Hongkong Ltd, this Thursday.

Without the \$HK18.58 million of loans from one, or both, of these gentlemen, Jackley would have had to borrow that amount of money from traditional sources – banks, finance companies, etc – and, then, it would have had to service that debt at between 5 percent per annum and 10 percent per annum.

In addition, it would have to make provision for repayment of the principal sum.

At 5 percent per annum, that amount of money would attract interest payments of at least \$HK929,000 per annum, or about \$HK77,417 per month.

Adding to that interest-payment figure, principal repayments, over a 10-year period, and one could, just about, double the interest-payment figure, bringing the cost of supporting this loan, as far as Jackley is concerned, to about \$HK155,000 per month.

For a company, engaged in the business of manufacturing and trading in carpets, such a debt burden, in the initial stages of development, may have been just a little too rich for Management.

Thus, those prospective shareholders of this Company have to inherit the debt, at least for the next 17 months.

The Prospectus

Jackley is Placing a total of 99.60 million, 10-cent shares at a Placing Price of 80 cents per share and, at the same time, Chairman Lam Yat Sing is Offering to the investing public, the chance to purchase another tranche of 24.90 million shares, those shares owned by him, also at the price of 80 cents per share.

In addition, Chairman Lam Yat Sing is selling another block of his shares, amounting to 27.10 million shares, by Placement.

At the end of the day, assuming that the Public Offer Shares are taken up, and that the Placing Underwriters do their job, well, Chairman Lam Yat Sing will be able to march over to his bankers with a cheque for between \$HK35 million and \$HK40 million, while Jackley will have swollen its coffers by about \$HK46 million.

A fair go, one could comment.

The money, to be raised by Jackley by this Placement of shares, is earmarked ... [CLICK TO ORDER FULL ARTICLE](#)

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