

**ARGOS ENTERPRISE (HOLDINGS) LTD :
THE FIEFDOM OF WONG SEEKS YOUR PATRONAGE -- AGAIN**

Strictly speaking, it is open to question and/or strict forensic accounting as to whether or not Argos Enterprise (Holdings) Ltd is really profitable.

In addition, the raison d'être for this new listing candidate to vie for a place on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd appears to be leaning more to allowing the Wong Family to cash out, than the Company to cash in.

Argos Enterprise is a bus company, operating in Nanjing, Jiangsu Province, the People's Republic of China (PRC).

Designated as GEM Stock Code 8022, Argos Enterprise published its Prospectus on July 31, with the kick-off date on The GEM, scheduled to be Monday, August 13.

The Company is Placing 30 million New Shares of one-cent Par Value at a Premium of 99 cents per share.

At the same time, the beneficial owners of Argos Enterprise, the Wong Family, are selling 24 million of their shares on the same basis as the Company's Placement shares.

Of the net proceeds of this cash-raising exercise, amounting to about \$HK25 million, \$HK10 million will go right back to Wong Family interests in order to retire their cash advances, made to Argos Enterprise, leaving only \$HK15 million to be applied to:

1. \$HK12 million to purchase another 130 buses; and,
2. \$HK3 million to be tipped into the General Working Capital Account.

In essence, therefore, this flotation's main purpose appears to be to raise money, mostly for the Wong Family.

The Financials

Argos Enterprise started business in September 1997. It has successfully established a public transport service in Nanjing, the PRC.

The financials of this Company for the past 3 Financial Years are given at Page 105 of the Prospectus:

	Financial Year ended December 31		
	1998	1999	2000
	All Figures are Denominated in \$HK'000		
Turnover	14,644	33,894	41,977
Cost of Bus Services Rendered	(9,492)	(20,003)	(30,026)
Gross Profit	5,152	13,891	11,951
Other Revenue	901	6,230	8,970
Administrative Expenses	(2,856)	(7,361)	(7,851)
Profit from Operations	3,197	12,760	13,070
Interest Income	55	226	729
Financing Costs	(898)	(1,114)	(2,002)
Profit before Taxation	2,354	11,872	11,797
Taxation	(879)	(2,969)	(2,995)
Profit before Minority Interests	1,475	8,903	8,802

Minority Interests	(1,089)	(4,184)	(4,521)
Profit Attributable to Shareholders	386	4,719	4,281

While the above may be considered acceptable in some corporate boardrooms, it is noted that the Provincial Government of Nanjing paid a subsidy to Argos Enterprise, during the 1999 Financial Year and the 2000 Year.

That subsidy was \$HK4,395,000 and \$HK6,039,000, respectively.

Subtracting these subsidies from the 2 Financial Years' Results puts both Years ... [CLICK TO ORDER FULL ARTICLE](#)

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