

**NEW SPRING HOLDINGS LTD :  
A PUBLIC COMPANY OR THE PRIVATE 'BANK' OF THE CHAIRMAN ?**

Like so many somewhat successful Chinese enterprises, having been the brainchild of one man, more often than not the Founder has a little difficulty in understanding and/or appreciating the difference between his money and the money and assets that belongs to the enterprise.

This seems to have been the situation, in the past, with regard to the Chairman of New Spring Holdings Ltd, to be known as Stock Code Number 690 on the Main Board of The Stock Exchange of Hongkong Ltd.

New Spring Holdings, its Placing-and-Offer Prospectus states, is '*principally engaged in the manufacture and sale of packaging products and paper gift items and the printing of paper promotional materials*'. (Page One of the Prospectus)

There are 3 main lines of business for this Company:

1. The manufacture of paper boxes for the packaging of cigarettes, liquor, snacks, toys, domestic appliances, etc;
2. The manufacture and sale of paper gift items, photo albums, picture frames, jewellery boxes, carrier bags, letter sets, and other stationery and gift items; and,
3. The printing of promotional leaflets, product manuals, catalogues, brochures, calendars, posters, flyers, etc.

The Chairman and Founder of New Spring Holdings is Mr Ng Man Chan, aged 52 years, who is said to have had more than 32 years of experience in the printing industry.

That would indicate that, at the age of 20 years, forsaking a career in academia, he obtained a job as a junior employee in some print shop and worked his way up from the print floor to his present position – as owning the joint.

Which is very commendable.

He is assisted in New Spring Holdings by his 41-year-old wife, Ms Li Mi Lai, who sits on the Board of Directors as an Executive Director.

The Accountants' Report, located in Appendix I of the Prospectus, indicates that Chairman Ng Man Chan has been dipping into the coffers of the Company when the spirit moved him.

Page 92 shows the following:

**Maximum Balances Due from Directors**

	Financial Year ended March 31		
	1999	2000	2001
	<i>All Figures are Denominated in \$HK'000</i>		
Mr Ng Man Chan	16,407	21,590	16,443
Ms Li Mi Lai	39	379	Nil
Mr Chan Fuk Wah	100	300	600

<b><u>TOTAL</u></b>	<b><u>16,546</u></b>	<b><u>22,269</u></b>	<b><u>17,043</u></b>
---------------------	----------------------	----------------------	----------------------

While the above amounts of money may not appear to be very great to some moguls, one would be advised to look at the above figures in relation to the Turnovers of New Spirit Holdings over the past 3 Financial Years.

In terms of the Turnovers of the past 3 Years, the borrowings of Directors amounted to about 17.05 percent in the 1999 Year, about 17.73 percent in the 2000 Year, and about 11.89 percent in the 2001 Financial Year.

One realises, at this juncture, that the drawings by Mr and Mrs Ng Man Chan were of a material nature, relative to the sales volume of the Company.

But, that is not all because related companies, in which Mr Ng Man Chan and his wife, Ms Li Mi Lai, also, have beneficial interests, have been dipping ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published,  
TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com) or [targnews@hkstar.com](mailto:targnews@hkstar.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*