

VISION CENTURY SEES THE FUTURE

Vision Century Corporation Ltd (Code: 535, Main Board, The Stock Exchange of Hongkong Ltd) has lost, not less than \$HK50 million in respect of its purchase of an office unit in Central Hongkong.

The Company, late last year, put the property on the auction block, employing the services of a number of property agents in an effort to locate somebody with the wherewithal to take it off the struggling company's hands.

But the property is unlikely to fetch more than about \$HK72 million – which would represent a loss of not less than 32 percent of the original purchase price of more than \$HK106 million.

That is not the end of the story, however, because, when one considers the history of this piece of property, it is apparent that the losses are far greater than just \$HK30 million-odd.

The property is the 33rd floor, China Merchants Tower, Shun Tak Centre, Number 168-200, Connaught Road, Central, Hongkong.

The office unit measures about 25,838 square feet and was, originally, purchased in 1998 by Vision Century (formerly known as Hing Kong Holdings Ltd) plus its, then, 2 partners:

1. Lai Sun Development Company Ltd (Code: 488, Main Board, The Stock Exchange of Hongkong Ltd); and,
2. The Hongkong Parkview Group Ltd (Code: 207, Main Board, The Stock Exchange of Hongkong Ltd).

The China Merchants Tower property was purchased by the trio for \$HK106 million, with each partner, taking up 33.33 percent of the equity of CPL Investments Ltd, the holding company of the office unit.

By 1999, Lai Sun Development determined to make no mention of the property and/or that company's holdings in CPL.

Which must mean, excluding the possibility of an oversight on the part of Management – which is very unlikely – that it had divested itself of the investment.

Hongkong Parkview continued to show its investment in CPL until the year 2000, however.

In that year, Vision Century's Annual Report (Financial Year ended December 31) indicated that it held 100 percent of CPL; and, it follows that it must have held the entire property assets of that investment company.

How much Vision Century paid, if anything, to buy out its former 2 partners is unknown, but what is known, today, is that Vision Century wants to unload it at about \$HK2,800 per square foot.

That means, by simple calculation, that Vision Century will gross about ... [CLICK TO ORDER FULL ARTICLE](#)

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