

**FU CHEONG INTERNATIONAL HOLDINGS LTD :  
THE FOUNDER HELPS HIMSELF TO \$HK24 MILLION**

The Founder of Fu Cheong International Holdings Ltd was able to gross at least \$HK24 million for himself when his Company hit the big time by being listed on the Main Board of The Stock Exchange of Hongkong Ltd.

Mr Ho Wing Cheong, the present Chairman of this new listing, sold 120 million of his own one-cent shares in the Issued and Fully Paid-Up Share Capital of the Company at a Premium of 19 cents per share.

While Fu Cheong, itself, Placed 135 million New, one-cent shares, also at a Premium of 19 cents per share.

Meanwhile, the general public was Offered 45 million, New, one-cent shares on the same basis as the Placed Shares, allowing this manufacturer of Printed Circuit Boards (PCBs) to bring in about \$HK27 million, at the end of the day.

The reasons that Mr Ho Wing Cheong would want to unload such a large slice of his shareholdings in the Company are not known, but one is tipped off, to some extent, at least, to a potential reason on scanning the Prospectus.

Over the past few years, the Chairman has been borrowing not insubstantial sums of money from this Company, of that there is no doubt.

According to the Prospectus of Fu Cheong International, at Page 105, Mr Ho Wing Cheong borrowed about \$HK3.33 million in the 1999 Financial Year, ended December 31, about \$HK4.49 million in the 2000 Financial Year, and, for the 9-month period, ended September 30, 2001, he had borrowed a maximum amount of about \$HK4.49 million.

Needless to say, the amount of money, borrowed by this Director, was unsecured and interest-free.

The entire sums were fully settled in July 2001, Page 108 states.

During that time, Fu Cheong was making, what appeared to be, the great leap forward in respect of its Bottom Line, as the following table, lifted from Page 99 of the Prospectus, makes only too clear:

	Financial Year ended December 31			Nine Months to September 30
	1998	1999	2000	2001
	All Figures are Denominated in \$HK'000			
Turnover	49,213	167,331	158,107	150,273
Cost of Sales	(36,101)	(121,222)	(112,558)	(106,705)
Gross Profit	13,112	46,109	45,549	43,568
Other Revenue	67	222	29	183
Selling and Distribution Costs	(211)	(933)	(524)	(643)
Administrative Expenses	(5,587)	(7,816)	(7,523)	(6,770)
Other Operating Expenses	(725)	(3,221)	(2,476)	(2,085)

Profit from Operating Activities	6,656	34,361	35,055	34,253
Financing Costs	(534)	(573)	(604)	(208)
Profit before Taxation	6,122	33,788	34,451	34,045
Taxation	(1,165)	(3,154)	(3,680)	(3,540)
Net Profit from Ordinary Activities Attributable to Shareholders	4,957	30,634	30,771	30,505

For the Financial Year, ended December 31, 2001, the Profit Estimate is for the Bottom Line to be not less than \$HK40 million.

### **The Reason For Going Public**

Page 75 of the Prospectus states that the reason for tapping the money market for some cash is to upgrade the Company's facilities, and that the \$HK27 million ... [CLICK TO ORDER FULL ARTICLE](#)

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