

**VST HOLDINGS LTD :  
GREED NEVER HAD A CLEANER FACE**

Just before the witching hour, so to speak, when the entity was to join the illustrious ranks of publicly listed companies of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Directors of VST Holdings Ltd, Stock Code 856, the Main Board, The Stock Exchange of Hongkong Ltd, cleaned out just about all of the surplus cash from the cupboard, leaving VST Holdings with an indebtedness structure of about \$HK138.45 million.

Greed never had a cleaner face or a time, more suited, in any place. (15<sup>th</sup> Century English poet)

And, in passing, the 40-year-old Chairman of VST Holdings and the 45-year-old Vice Chairman of VST Holdings took the opportunity to sell 42 million of their personal shares in the Company, raking in another \$HK10 million-odd for themselves.

All this is seen in the Prospectus of VST Holdings, published on April 29, 2002, when this purveyor of Information Technology (IT) products went big time, cashing in on the opportunity to become a member of the second largest stock market in Asia.

Page 70 of the Prospectus shows that, in December 2001, an Interim Dividend of \$HK35.68 million was declared and paid.

Then, on February 28, 2002, a Second Interim Dividend, amounting to \$HK14.92 million, was declared and paid, both dividends, having been paid out to the then shareholders: Messrs Li Jia Lin, the Chairman; and, Cheng Kam Chung, the Vice Chairman.

With regard to the Second Interim Dividend of \$HK14.92 million, it represented, exactly, 100 percent of the Unaudited Combined Profit Attributable to Shareholders for the 4 months, ended February 28, 2002.

As for the First Interim Dividend, it represented about 262 percent of the Net Profits Attributable to Shareholders for the 7-month period, ended October 31, 2001.

**The Flotation**

VST Holdings has a history of 11 years, having been founded by Messrs Li Jia Lin and Cheng Kam Chung.

This Company has, always, been in the business of distributing IT products to the HKSAR market and to the PRC marketplace.

The 2 major suppliers to this Company are Advanced Micro Devices Incorporated, a supplier of ICs (Integrated Circuits), and Seagate Singapore Distribution Pte Ltd, the latter, being a member of Seagate Technology International, a provider of storage technology for the Internet, among other things.

These 2 suppliers' products accounted for more than 95 percent of all sales, made by this Company, during the past 43 months.

A total of 173.60 million, 10-cent Shares were Placed at a Premium of 15 cents per share, of which number of shares, Messrs Li and Cheng contributed, equally, 42 million of their personal shares.

The Company, also, Offered 43.40 million New, 10-cent Shares on the same basis as the Placed Shares.

The total amount of money, anticipated to be dribbling into the coffers of VST Holdings, was \$HK33.30 million.

This money is earmarked for the following purposes:

1. \$HK20 million to be used to acquire and promote additional products;
2. \$HK5 million to be used to establish subsidiaries in the PRC; and,
3. \$HK8.30 million to be used as General Working Capital.

(TARGET notes that the additional investment income was considerably less than the \$HK50.60 million, paid out as the First and Second Interim Dividends)

During the past 43 months, this Company has done reasonably well, all things considered ... [CLICK TO ORDER FULL ARTICLE](#)

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