

**CAPITAL PUBLICATIONS LTD :  
IF IT HAD BEEN A RACEHORSE,  
IT WOULD HAVE BEEN PUT OUT OF ITS MISERY**

Once again, Mr Robert Ng Hung Sang has come to the marketplace to sell his faulty wares.

This time, it is the bust company, Capital Publications Ltd, which he is trying to flog.

Capital Publications went public on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd on July 10, 2002, when it Placed 50,648,000, one-cent Shares at a Premium of 29 cents per share.

This Company has, technically, been bust for some time, being unable to pay its debts as they fell due without the assistance of considerable fresh cash, being pumped into its coffers by one or more of the corporate entities of Mr Robert Ng, and, of late, directly from the wallet of Mr Robert Ng.

This is not the first time that Mr Robert Ng has pulled off such a stunt because, on December 31, 2001, he executed a similar, cash-raising exercise when he floated off Jessica Publications Ltd on The GEM (Code: 8137).

Jessica Publications had been potentially technically insolvent for some years, prior to its flotation. (Please see [TARGET Intelligence Report, Volume IV, Number 23](#), published on February 1, 2002)

In view of the fact that Capital Publications has had the financial support of its beneficial owner, it cannot be said to be insolvent, at this time, because it is able to pay its debts as they fall due.

However, no matter how one cuts it, it is potentially technically insolvent and, should Mr Robert Ng withdraw his financial support, it would be curtains for this tired little publication in the fullness of time.

Capital Publications lost about \$HK1.23 million in the 2000 Financial Year, ended December 31, and another \$HK4.12 million during the following Financial Year. (Page 94 of the Placing Prospectus)

It had Net Current Liabilities of about \$HK1.35 million, as at the 2000 Balance Sheet Date, and Net Current Liabilities of about \$HK5.47 million, as at the 2001 Balance Sheet Date.

It was penniless, as at the Balance Sheet Dates of the past 2 Financial Years.

It has just \$HK113,000 in fixed assets. (Page 95)

It had no debts other than \$HK1 million that was owed to Mr Robert Ng. (Page 78)

Capital Publications raised about \$HK11.70 million, which is earmarked for the following purposes, Page 66 of the Prospectus states:

1. \$HK4.50 million *'for recruiting, employment and training of staff'*;
2. \$HK2 million *'for the promotion of magazine in Beijing, Shanghai and Guangzhou'*, the People's Republic of China (PRC);

3. \$HK1 million 'for promoting "(PUT IN CHINESE NAME) Capital" magazine to readers and advertisers';
4. \$HK2 million 'for the publication of financial special issues and stand-alone periodicals or books';
5. \$HK1 million 'for repayment of loan from a major Shareholder of the Company, Mr. (Robert) Ng'; and,
6. \$HK1.20 million to be tipped into the General Working Capital Account.

### **The Business**

The business of this Company is the publication of one monthly Chinese magazine, known as Capital.

It is stated, at Page 44 of the Prospectus, that Capital is 'principally tailored for professionals, think tank of enterprises, senior and top management personnels (sic!), bankers and financial elites. It mainly targets readers aged between 25 and 45 with middle-to-high income and well-educated ...'.

As at today's date, there were 18 people, working in Capital ... [CLICK TO ORDER FULL ARTICLE](#)

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