

**VANTAGE INTERNATIONAL (HOLDINGS) LTD:
SO, WHAT'S ALL THIS ABOUT, THEN ?**

In spite of the decided downturn in the fortunes of the publicly listed company, it did not stop the Chairman and his Deputy Chairman – the Deputy Chairman is the Chairman's brother-in-law – from taking a very hefty increase in their take-home pay, during the 2002 Financial Year.

The company is the construction company, [Vantage International \(Holdings\) Ltd](#), Stock Code Number 15, Main Board, The Stock Exchange of Hongkong Ltd.

This company went public in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in September 2000 when it raised about \$HK21 million, net of expenses, in an Initial Public Offering (IPO).

The Chairman, Mr Ngai Chun Hung, took the opportunity, at the time of the flotation on The Stock Exchange of Hongkong Ltd, to Place 20 million of his personal shares in the company, taking home about \$HK20 million, gross, for himself.

Which was, probably, fair enough because Vantage International netted a little more than \$HK21 million from its cash-raising exercise; and, that was a little more money than that which the Chairman was able to bank.

At the time of the flotation, TARGET remarked that this company had been used as the private little bank of the Chairman and that its chances of success in the future appeared to be very limited.

But what TARGET did not know, at the time of the flotation, was the matter of Hopeson Engineering Ltd, a construction company in its own right, which, according to allegations, contained in High Court Action Number 24 of 2003, has been waiting more than 52 months to be paid as a former subcontractor of a subsidiary of Vantage International.

High Court Action Number 24 is between Hopeson Engineering and Able Engineering Company Ltd, a wholly owned subsidiary of Vantage International.

The Statement of Claim, attached to the Writ of Summons, alleges that Hopeson Engineering was engaged by Able Engineering in or about February/March 1997 as its *'domestic sub-contractor to carry out and complete piling works in four primary schools which formed part of the works of the Contract (the "Sub-Contract").'* (Paragraph 3 of the Statement of Claim)

According to Hopeson Engineering, all works were completed *'in or about December 1997'* and Hopeson Engineering applied to Able Engineering *'for payment in the sum of \$(HK)2,625,738.48 as its entitlement under the Sub-Contract.'* (Paragraphs 4 and 5)

Now, a little more than 5 years later, it appears that Hopeson Engineering, still, has not been paid, according to the Statement of Claim, contained in High Court Action Number 24.

TARGET does not recall, seeing Hopeson Engineering as a creditor of Vantage International at the time of the flotation of this company, in September 2000.

But, if the amount of money, now being claimed by Hopeson Engineering, was owed by a subsidiary of Vantage International, and, on the presumption that an amount of about \$HK2.63 million was considered not material at the time of the flotation, it is reasonable for such a creditor not to be included as being part of the material indebtedness of the Group, that comprised Vantage International, back in the year 2000.

But, at the time of the float, Vantage International appeared to be flush with cash, as TARGET pointed out at the time:

Due from Chairman Ngai Chun Hung	\$HK5,334,000
Pledged Time Deposits	\$HK7,035,000
Cash and Cash Equivalents	<u>\$HK32,119,000</u>
TOTAL	<u>\$HK44,488,000</u>

However, materiality of debt must, now, have become an issue with at least 2 subsidiaries of Vantage International because they have found themselves as Defendants in 3 other legal claims, lodged against them.

Aside from the Hopeson Engineering Claim, on ... [CLICK TO ORDER FULL ARTICLE](#)

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