

**TUNG SHING FIRE SERVICES TECHNOLOGY HOLDINGS LTD:
THIS IS, EFFECTIVELY, A 5-CUSTOMER COMPANY**

Whenever TARGET reads a prospectus of an IPO (Initial Public Offering) and notes that there are just a handful of customers, representing more than three quarters of the company's business for the past year or so, the red flag of concern is hoisted, posthaste.

Such a company is Tung Shing Fire Services Technology Holdings Ltd, a company that sought a listing on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd on March 31, 2003.

Tung Shing Fire Services is, today, known by its GEM Stock Code of 8147.

According to the Placing Prospectus of Tung Shing Fire Services, the 5 largest customers of the Company accounted for 77 percent, 76 percent and 72 percent for the past 2 Financial Years, ended March 31, 2002, and for the 6 months, ended September 30, 2002, respectively.

Further, concentration of sales was in the People's Republic of China (PRC), proper, as opposed to the Hongkong Special Administrative Region (HKSAR) of the PRC: 84 percent; 82 percent, and 86 percent, respectively. (Page 61 of the Prospectus)

This type of operation must have been one of the aspects of the coining of that well-worn expression: Putting all of one's eggs into one basket.

Tung Shing Fire Services chose to go public on The GEM by Placing a total of 84 million New, one-cent Shares at a Premium of 24 cents per Share.

At the same time, the Chairman, Mr Chan Chun Wo, took the opportunity to offload 36 million of his personal Shares, grossing for himself about \$HK9 million.

At the end of the day, the Company netted about \$HK15.19 million from the Placement of its 84 million New Shares, that amount of money to be used for the following purposes:

1. \$HK5 million to strengthen the Company's product range;
2. \$HK2.40 million for maintaining and strengthening the Company's market position;
3. \$HK2.20 million to acquire equity interests in other entities;
4. \$HK5.59 million to be used for buying some fire-fighting and rescue tools, the payment of professional fees in respect of putting together this Company in order for it to comply with the Listing Requirements of The GEM, the payment of management fees and rent for the Company's office, the payment of salaries and wages of its entire Establish level of 12 staff members, and the payment of certain miscellaneous expenses.

As for Management, Tung Shing Fire Services only has 3 Executive Directors, 2 of whom are the husband-and-wife duo: Mr Chan Chun Wo and his spouse, Ms Wong Oi Kam.

The other Executive Director is Mr Yip Chi Yung, the 32-year-old, Vice Chairman and Chief Operations Officer.

The History

Tung Shing Fire Services was founded in April 1992, the Prospectus states at Page 49, by Mr and Mrs Chan Chun Wo.

It has always been in the business of selling fire-fighting equipment.

In June 2002, about one decade after the Company's formation, it came into a deal with a Mr Wilson Pong Wai San, whereby, via Mr Pong's private company, Uplighter Holdings Ltd, 24.62 percent of what is today, Tung Shing Fire Services, was acquired by ... [CLICK TO ORDER FULL ARTICLE](#)

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