

**LIFESTYLE INTERNATIONAL HOLDINGS LTD:  
BEWARE! SENIOR MANAGEMENT IS KNOWN TO BE GREEDY**

Whenever the Brothers Lau float off a company in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there is a guarantee that the Brothers Lau will come out as the winners.

History has proved this point.

The Brothers Lau know which way is up and which way is down.

And one could present a very reasonable argument in favour of Substantial Shareholders of publicly listed companies, being permitted to capitalise on their equity holdings.

In a free, capitalistic society, making money is, after all, the name of the game.

The flotation of Lifestyle International Holdings Ltd (Code: 1212, Main Board, The Stock Exchange of Hongkong Ltd) only just scraped through ('moderately over-subscribed' was the way that the Placing of the 150 million Shares in the Issued and Fully Paid-Up Share Capital of the Company was described), with the Offer Price, being in the middle of the price range that had been suggested in the Prospectus, dated March 31, 2004.

The future modus operandi, in respect of the management style of the Brothers Lau, is unlikely to differ with regard to the operations of this Company, the Brothers Lau's latest addition to the rolls of The Stock Exchange of Hongkong Ltd.

The Prospectus of Lifestyle International, at Appendix VIII-40, contains a lovely little paragraph, which reminded **TARGET** of an exclusive report, which this medium penned on July 3, 1989, headlined:

**'LAUS TURN FORTUNE AROUND AND PAY THEMSELVES FOR DOING IT'**

In that report (Please refer to **TARGET** Intelligence Report (formerly known as **TARGET** Financial Service), Volume XXXII, Number 121), this medium wrote:

*'The Brothers Lau appear to have been paid handsomely for turning around the fortunes of at least 2 of their publicly listed companies, and the consensus of opinion seems to be: They deserve every penny – naturally.'*

*'Between them, the Directors of the 2 companies will be able to split more than \$HK42.5 million in fees (management remuneration).'*

*'Chinese Estates Ltd and China Entertainment and Land Investment Company Ltd have both turned in Profits for the Year ended December 31, 1988.'*

*'Chinese Estates reported a Profit After Tax of \$HK129.73 million for the Year, while China Entertainment reported a Profit After Tax of \$HK40.14 million for the Year.'*

*'This is a reversal of affairs when compared with the figures for the previous Year.'*

*'For the Year ended December 31, 1987, Chinese Estates announced a Loss After Tax of more than \$HK171.04 million, while China Entertainment announced a Loss After Tax of \$HK368.09'*

million.

*'These losses were, on the whole, due to wheeling and dealing on the Hongkong Stock Market, wheeling and dealing which came to an abrupt halt in October 1987, when the Stock Market suffered something of an upset.*

*'All the companies run by the Brothers Lau had a troubled Year in 1987, with China Entertainment, Chinese Estates and Evergo Industrial Enterprises Ltd (now Evergo Holdings Company Ltd), totting up a total loss of more than \$HK1 billion.*

*'Top of the line as an earner for its Directors would seem to be Chinese Estates, where the Management Remuneration (a new term for Fees), according to the 1988 Annual Report, amounted to \$HK25.03 million; Directors' Fees of \$HK10 million were doled out in the previous Year as a 'vote of thanks' by shareholders to the Directors.'*

As **TARGET** pointed out, near the conclusion of that report, the remuneration to the Brothers Lau from Chinese Estates was equivalent to 19.30 percent of the Net Profits Attributable to Shareholders, and, from China Entertainment, the remuneration, paid to the Brothers Lau, was equivalent to about 43.62 percent of the Net Profits Attributable to Shareholders.

And, now, investors of the HKSAR will be able to revisit the Brothers Lau and to rekindle the joys of yesteryear

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