

**LANG CHAO INTERNATIONAL LTD:
LET US GIVE THANKS TO BEIJING !**

The Middle Kingdom, as the People's Republic of China (PRC) used to be called, is, today, becoming famous for the way in which the profits of certain companies seem to skyrocket in very short periods of time.

For many of these corporate fast-movers, there would appear to be very little or even no valid reason(s) for the fast growth in profits from traditional sources of revenue.

This fact is especially true for companies, which are, directly or indirectly, close to officials of the Central Government of the PRC, proper, or of companies, which team up with officials or entities of provincial governments.

Take for instance, the recent explosive financial results of publicly listed Lang Chao International Ltd (Code: 8141, The **G**rowth **E**nterprise **M**arket [The GEM] of The Stock Exchange of Hongkong Ltd).

Lang Chao International went public in the Hongkong Special Administrative Region (HKSAR) of the PRC on April 20, 2004, when it Placed 100 million, one-cent Shares at a Premium of 35 cents per Share.

The Shares were not exactly the hottest scrip that HKSAR investors had seen of late, with the total number of shares, received from valid subscriptions, being 257 million Placing Shares, or about 2.57 times the number of Shares on Offer.

In fact, only 116 Placees applied for the Shares of this reseller of **I**nformation **T**echnology (IT) products.

However, within 4 months of the GEM listing of Lang Chao International, it brought out what many people would consider a most extraordinary 2004 Interim Report.

Some of the highlights of this Interim Report included:

1. For the 6 months, ended June 30, 2004, the Turnover was about \$HK300.85 million, up about \$HK53.16 million, equivalent to about 21.46 percent, compared with the like period in 2003;
2. For the 6 months, ended June 30, 2004, the Net Profit Attributable to Shareholders was about \$HK15.13 million, up about \$HK12.31 million, equivalent to about 434.68 percent, compared with the like period in 2003; and,
3. For the 6 months, ended June 30, 2004, bank balances and cash at hand was about \$HK65.43 million, up about \$HK45.45 million, equivalent to about 227.45 percent, compared with the amount of cash at hand and at banks, as at the like period in 2003.

Quite extraordinary!

The Prospectus of Lang Chao International was unimpressive for the most part ... except, perhaps, that it was made very clear that, as at February 29, 2004, the Company had no debt. (Page 102)

The net proceeds of the Share Placements brought in about \$HK27.86 million, according to the 2004 Interim Report, at Page 10.

That was slightly higher than the \$HK25.50-million, anticipated injection of cash from the flotation, as stated at Page 91 of the Prospectus.

The money ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.