

**GLORY FLAME HOLDINGS LTD:
THIS COMPANY IS A FLICKERING LITTLE GLOW, ONLY**

The history of Glory Flame Holdings Ltd () (Code: 8059, The **G**rowth **E**nterprise **M**arket [The **GEM**] of The Stock Exchange of Hongkong Ltd) is yet another illustration, depicting, to a great extent, what a person with gumption has the ability to do for himself if he determines to pull up his own socks – by himself.

Mr Pei Wing Fu (), the Executive Chairman of Glory Flame, started out at the tender age of 13 years as an apprentice, motor-vehicle repairman in September 1966 and, for the next three years, learned his trade at Hop Kee Auto Service.

From 1969 until 1972, he worked at Turin Motors Ltd as an electrician and then, for a short time – about two months, in fact – he worked for Metro-Dodwell Motors Ltd, also as an electrician.

From May 1972 until August 1972, Mr Pei Wing Fu worked for High Island Joint Venture (Tunnels) as an electrician.

In January of 1976, at the age of about 23 years, he started a sole proprietorship in Hongkong, naming his firm, Vincent Auto Electric Spare Parts. This firm was engaged in the repair of electrical spare parts in motor vehicles.

Obviously, this firm did not live up to the potential that had been expected and so, about five years later, he joined the company of Drillcut Ltd () in the capacity as a Supervisor, responsible for supervising demolition work at work sites.

Within a decade of working for Drillcut Ltd, he made a cash offer to the then beneficial Controlling Shareholder and, at the cost of \$HK925,000, Mr Pei Wing Fu took full control of the company.

Today, Drillcut Ltd is a wholly owned subsidiary of Glory Flame that has pitched an **Initial Public Offering (IPO)** of 155 million, one-cent Shares at the Placing Price Per Share of 40 cents.

From very humble beginnings, Mr Pei Wing Fu has graduated from a 13 year-old apprentice, motor-vehicle repairman to being the Chairman of a publicly listed company.

The IPO

Glory Flame is Offering a total of 155 million shares, of which number, 108.50 million are New Shares and 46.50 million are Shares, Offered by Power Key Investments Ltd (), a company, domiciled in the British Virgin Islands that is wholly owned by Mr and Mrs Pei Wing Fu.

Mr and Mrs Pei Wing Fu will gross about \$HK18.60 million from this Share Placement activity while the publicly listed company will net about \$HK31.20 million.

The net proceeds from the Share Placements will be utilised as follows:

- Approximately, \$HK22.70 million, that is about 72.60 percent, to *‘be used for enhancing our machinery and equipment, strengthening our manpower and increasing our marketing efforts,*

respectively';

- Approximately, \$HK5.50 million, that is about 17.60 percent, to be used to retire some of the Company's bank borrowings; and,
- Approximately, \$HK3.00 million, that is about 9.80 percent, to be used as Working Capital.

With regard to the second, stated use of the net proceeds of this cash-raising exercise, Page 207 of the Placing Prospectus states that, as at June 30, 2004, Glory Flame owed about \$HK10.43 million to banks and financial entities, with ... [CLICK TO ORDER FULL ARTICLE](#)

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