

TARGET

Intelligence Report

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LEE KEE HOLDINGS LTD: THIS COMPANY'S FINANCIALS ARE UNLIKELY TO MAKE ONE JUMP FOR JOY

Although Senior Management of Lee Kee Holdings Ltd (利記控股有限公司) (Code: 637, Main Board, The Stock Exchange of Hongkong Ltd) would be loathe to admit it, the business of this Hongkong-based investment company is quite likely to be described, in quite a number of circles, as a company, basically engaged in gambling in the price of buying and selling certain metals and metal products.

In the game of the luck of the draw, some people have the ability to win, but, for the most part, many people are known to have run a cropper: Material risks are always lurking in the wings for a gambler.

Senior Management of Lee Kee Holdings Ltd is no exception to the rule, as it applies to the throw of the dice, as the history of the Company indicates, most profoundly.

This Company went public on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** on October 4, 2006.

It has never been a '*darling*' of investors and stockbrokers, alike, and it appears that it is highly unlikely ever to obtain such a nomenclature.

Its share price, today, is about 29 cents despite the Company, having chalked up a Net Profit Attributable to Shareholders of a little less than \$HK17 million in respect of the 2021 Financial Year – having suffered material losses with regard to the previous two Financial Years, aggregating approximately \$HK215 million.

The 2020/2021 Annual Report Of Lee Kee Holdings Ltd

On Monday, July 12, 2021, Management of Lee Kee Holdings Ltd published and disseminated its Annual Report with regard to the Financial Year, ended March 31, 2021.

Mr Chan Pak Chung (陳伯中), the Chairman of the Board of Directors of the Company, as well as being an Executive Director, had little to nothing to extrapolate in his Statement to

Shareholders insofar as to the Company's business was concerned, the Company's business, having contracted as it did in the 2021 Financial Year.

There were exceptions of the Company's continued commitments to ESG (Environmental, Social, and Governance), as well as Management's woes in respect of the continuing problems, those nagging problems, being continued outbreaks of one or more of the variances of the disease, named COVID-19.

(Simply put, ESG is applying non-financial factors as part of analyses processes in order to identify material risks and growth opportunities. In this medium's short-term memory, ESG used to termed, simply: 'Common Sense'.)

At Page 34 of the 2020/2021 Annual Report of the Company, under the heading, '**PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS OF OPERATIONS**', a more-refined definition of the activities of this Company was given as follows:

'The principal activities of the Group are trading of zinc, zinc alloy, nickel, nickel-related products, aluminium, aluminium alloy, stainless steel and other electroplating chemical products, provision of metal testing and consultancy services, as well as alloy production in Hong Kong and Mainland China.'

Senior Management of Lee Kee Holdings Ltd is vested in four Executive Directors, all of whom are close relatives of Mr Chan Pak Chung, with each Executive Director deemed to have a legal interest, amounting to 72.40 percent of the entire Issued and Fully Paid-Up Share Capital of the Company.

The four Executive Directors are Mr Chan Pak Chung, aged 73 years. He is, as already stated, the Chairman of the Board of Directors and being an Executive Director.

Mr Chan Pak Chung is the husband of Ms Ma Siu Tao (馬笑桃), who was an Executive Director of the Company until June of 2017, the father of Executive Director Clara Chan Yuen Shan (陳婉珊), aged 49 years, the father of Executive Director Patrick Chan Ka Chun (陳稼晉), aged 48 years, and Executive Director Lillian Chan Pui Shan (陳佩珊), aged 46 years, also known as Ms Okusako Chan Lillian Pui Shan (陳佩珊).

Reverting to Page 37 of the 2020/2021 Annual Report of the Company, under the Notes of the 'Long Position in Shares of the Company', one was apprised of the following intelligence:

'(1) The 600,000,000 Shares are held by Gold Alliance Global Services Limited ("GAGSL") whose entire share capital is held by Gold Alliance International Management Limited ("GAIML"), which is in turn held by HSBC International Trustee Limited ("HSBC Trustee") acting as the trustee of the P.C. CHAN Family Trust. The P.C. CHAN Family Trust is an irrevocable discretionary trust set up by Mr. CHAN Pak Chung as settlor and HSBC Trustee as trustee on 6th March 2006. The discretionary objects of which include Ms. MA Siu Tao and the other family members of Mr. CHAN Pak Chung. Mr. CHAN Pak Chung is the settlor of the P.C. CHAN Family Trust and

is deemed to be interested in the 600,000,000 Shares held by GAGSL under the SFO (The Securities and Futures Ordinance).

‘(2) Ms. CHAN Yuen Shan Clara, Mr. CHAN Ka Chun Patrick and Ms. OKUSAKO CHAN Pui Shan Lillian (all of them being family members of Mr. CHAN Pak Chung and Executive Directors) are deemed to be interested in the 600,000,000 Shares held by GAGSL as they are one of the discretionary objects under the P.C. CHAN Family Trust under the SFO.’

The Financials Of Lee Kee Holdings Ltd

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