

**FIRST SIGN INTERNATIONAL HOLDINGS LTD:
WHAT A JOKE !**

First Sign International Holdings Ltd ought to be called '*First Joke on Shareholders*' because, among other things, after nearly 4 years as a publicly listed company, quoted on The Stock Exchange of Hongkong Ltd, it, still, has not employed more than 95 percent of the Net Proceeds, derived from its 1995 flotation.

When First Sign went public on November 3, 1995, it collected \$HK279 million, net of expenses, of which \$HK254 million was earmarked to be used '*for obtaining rights to, or acquiring, other recognised brandnames ...*'. (Page 44 of the Prospectus).

As may be easily adduced, the sum of \$HK254 million is equal to about 91 percent of the Net Proceeds of the flotation.

According to the Annual Report of First Sign for the Financial Year, ended June 30, 1999, the Company was the proud owner of about \$HK678.87 million in cash and bank balances. (Page 39)

The '*Management Discussion and Analysis*', on Page 8 of this Annual Report, states, under '*Liquidity and Financial Resources*':

'As at 30th June, 1999, the Group had cash balance of approximately HK\$678.8 million of which HK\$254 million is reserved for the purpose as stated in the Company's prospectus dated 3rd November, 1995. HK\$10 million originally earmarked for setting up the Group's distribution network for products under the MONTAGUT brandname in Korea was transferred to the Group's working capital following the termination of the License Agreement with MONTAGUT in June 1999.'

This has to mean that the \$HK10 million, originally collected from prospective investors of the HKSAR, back in November 1995, an amount of money, which was supposed to have been used to establish a solid Montagut presence in South Korea, has never been put to that use -- or any other use.

And, now, it is too late ... [CLICK TO ORDER FULL ARTICLE](#)