

**EVI EDUCATION ASIA LTD :
IT WILL BE A LONG WAIT UNTIL THIS COMPANY COMES GOOD**

Two publicly listed companies have teamed up with a mother-and-son team to give financial '*muscle*' to the concept of establishing a Chinese-language, pre-school Internet education website in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The 2 publicly listed companies, both Main Board members of The Stock Exchange of Hongkong Ltd, are Hanny Holdings Ltd (Code: 275) and GR Investment Holdings Ltd (Code: 310).

These 2 companies, together, are the second largest shareholders of New Listing candidate, EVI Education Asia Ltd.

Hanny Holdings paid \$HK15,187,500 for its 11.44-percent interest in EVI Education, and GR Investment paid \$HK5 million for its 3.23-percent stake in the Company.

Mr Wilson Pong Wai San, the Founder and Chairman of EVI Education, is floating off the Company on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, to be designated Stock Code 8090.

Mr Wilson Pong, who has a 65.23-percent, equity interest in the Company, is a graduate of The University of British Columbia, Canada, where he obtained a Bachelor of Science Degree in Applied Science, according to Page 115 of the Company's Prospectus.

However, he does not appear to have too much in the way of qualifications in the teaching of the very young.

In fact, prior to founding EVI Education, Mr Wilson Pong was a stockbroker.

However, his mother, the 53-year-old, Mrs Dorothy Pong Lo Shuk Yin, is said to have had more than '*20 years of experience in administration and management of kindergartens.*'

Mrs Dorothy Pong Lo Shuk Yin does not appear to have any academic qualifications to go along with her 2 decades of experience in running kindergartens, however. If she has such credentials, they are not mentioned in the Prospectus.

Which may or may not be relevant to operating such an enterprise, as is EVI Education.

The mother-and-son team form the nucleus of the 3 Executive Directors of this Company, but there is an outsider, sitting on the Board of Directors: Mr Wings Cheung Shi Kwan, the 39-year-old Vice Chairman.

Mr Wings Cheung, like the Founder-Chairman, Mr Wilson Pong, also does not appear to have any special qualifications in respect of the pre-school education of the very young, but he is said to be '*responsible for the Group's overall management, operations and web content development.*'

Mr Wings Cheung does, however, hold a Master's Degree in Applied Finance from The University of Western Sydney, Nepean.

This trio has the ambition – and it may succeed, who knows – '*to become an Internet education provider which offers Chinese language-based pre-school education services targeting kindergartens, teachers, parents and pre-school children.*' (Page One of the Prospectus)

EVI Education Placed a total of 160 million, 5-cent shares at a Premium of not more than 39 cents per share.

After expenses, this Company will collect about \$HK46 million, which will be applied as follows:

1. \$HK7 million to develop and launch new contents in its website;
2. \$HK11.50 million to upgrade and improve its system infrastructure;
3. \$HK8.50 million for the purchase of hardware, to be given to kindergartens for their use, thus promoting the Company's EVI On-line System;
4. \$HK7 million for the development of on-line advertising, e-commerce and related features on the EVI On-Line System;
5. \$HK6 million to be used for marketing and advertising; and,
6. \$HK6 million to be tipped into the General Working Capital Account.

The History

Mr Wilson Pong founded this Company on June 28, 1999.

It was established '*with a view to developing and commercialising Internet-based education services targeting pre-school education participants and users in Hong Kong.*' (Page 58)

It is said that studies were made of '*the curricula, mode of teaching and administrative operations of kindergartens in Hong Kong and conducted research on the feasibility of the development and implementation of Internet education services for kindergartens in Hong Kong.*'

And off went the Pong team with the website that now is the proud possessions of EVI Education Asia Ltd.

Naturally, in such a short space of time, the Company has made no profits, but it does have about \$HK9 million in accumulated losses – which one would expect would be the result of such a short operating history.

For the Financial Year, ended September 30, 2000, EVI Education enjoyed a Turnover of \$HK410,000, on which it booked a Loss Attributable to Shareholders of about \$HK8.94 million.

In the 3 months of operations in the 1999 Year, it suffered a loss of about \$HK108,000.

As at January 31, 2001, EVI Education owed \$HK5 million to Mr Wilson Poon, which borrowings were, subsequently, converted into Common Shares in the Issued and Fully Paid-Up Share Capital of the Company.

The Adjusted Net Tangible Assets of the Company, as at September 30, 2000, were said to comprise:

	Based on the Issue Price of 32 Cents Per Share	Based on the Issue Price of 39 Cents Per Share
	All Figures are Denominated in \$HK'000	
Combined Net Assets of the Group as at September 30, 2000	952	952
Less: Website Development Costs	(1,430)	(1,430)
Less: Unaudited Combined Loss Attributable to Shareholders of the Group as Shown in its Management Accounts for the 4 Months ended January 31, 2001, Excluding Amortisation of Website Development Costs of Approximately \$HK106,000	(2,401)	(2,401)
Net Proceeds from the Subscription of New Shares of a Subsidiary by B2C e-Commerce Group *	5,000	5,000
Capitalisation of an Amount due to Mr Wilson Pong	5,000	5,000

Capitalisation of an Amount due to Cyber Generation, a Shareholder *	5,188	5,188
Estimated Net Proceeds of the Placing	41,200	52,400
Adjusted Net Tangible Assets	53,509	64,709
Adjusted Net Tangible Asset Value Per Share	6.70 cents	8.10 cents

* B2C e-Commerce Group Ltd is wholly owned by publicly listed GR Investment Holdings Ltd

* Cyber Generation Ltd is wholly owned by publicly listed Hanny Holdings Ltd

At this time, there appear to be 53 kindergartens, using EVI Education's EVI On-Line System, the Prospectus claims.

They are using it free of any charge, the Prospectus points out at Page 26.

All of the kindergartens, it appears, get this free trial period until not later than March 2002, at which time, those kindergartens that want to continue with the software and services, offered by EVI Education, will have to pay for the privilege.

Thus, it is apparent that EVI will not start to bring in revenue, of any materiality, that is, until the end of the 2002, at the earliest.

And, in the meantime, the costs will build, and build, and build.

Which could well result in another call for cash in order to keep the Company solvent.

This Company has 24 full-time employees, with 6 employees in general management, 11 employees, engaged in technical matters in respect of web design and what-have-you, 5 employees in sales and marketing, and 2 employees in administration.

Of all the senior employees, it appears that just 2 employees, a 38-year-old lady, employed as a Project Director, and a 41-year-old lady, also employed as a Project Director ... [CLICK TO ORDER FULL ARTICLE](#)

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