

**UNIVERSAL TECHNOLOGIES HOLDINGS LTD :  
AN UNLIKELY CANDIDATE FOR A SUCCESSFUL FUTURE**

The term, '*undercapitalisation*', takes on a whole new meaning when one reads the Placing Prospectus of the latest company to come to The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd.

Universal Technologies Holdings Ltd is the first company to have a negative net worth, as at March 31, 2001, the last Balance Sheet Date.

This Company is Placing 150 million, new, one-cent shares at a Premium of between 19 cents per share and 21 cents per share.

Of the \$HK23.80 million, hoped to be raised from this float, about \$HK20 million is earmarked to be paid back to Mr Lau Yeung Sang, the 54-year-old Chairman and Founder of the Company.

Universal Technologies is another computer software company, which claims to specialise '*in the provision of enterprise solutions with a focus on online payment and logistics ...*'. (Page One of the Prospectus)

The Company states that it has a history of 5 years, having first been conceived in December 1996, Page 46 of the Prospectus states.

However, between 1996 and 1999, the Company was inactive, at least, that part of the group that metamorphosed into the current group of companies.

It was not until April 1999 that Chairman Lau Yeung Sang knew what he would be doing with this Company.

Therefore, in reality, this Company is 30 months old.

The Company has about \$HK1.17 million in assets, comprising chairs and tables, some computers, and some motor cars.

The Company's track record for the past 2 Financial Years is hardly exciting and could hardly imbue one with a lot of confidence in Management:

	Financial Year ended March 31	
	2000	2001
Turnover	\$HK521,000	\$HK1,311,000
Other Revenue	\$HK5,000	\$HK200,000
<b>Total Turnover</b>	<b>\$HK526,000</b>	<b>\$HK1,511,000</b>
Cost of Computer Hardware	(\$HK202,000)	(\$HK876,000)
Staff Costs	(\$HK1,068,000)	(\$HK1,453,000)
Goodwill Written Off	Nil	(\$HK63,000)
Depreciation	(\$HK146,000)	(\$HK89,000)
Operating Lease Rental	(\$HK319,000)	(\$HK362,000)
Other Operating Expenses	(\$HK717,000)	(\$HK1,191,000)
Loss from Operations	(\$HK1,926,000)	(\$HK2,523,000)
Profits on Reorganisation	Nil	\$HK497,000
Profit on Disposal of a Subsidiary	\$HK1,903,000	Nil
Operating Loss	(\$HK23,000)	(\$HK2,026,000)
Share of Results of a Former Jointly Controlled Entity	Nil	(\$HK369,000)
Loss from Ordinary Activities before Taxation	(\$HK23,000)	(\$HK2,395,000)
Taxation	Nil	Nil
Loss for the Year	(\$HK23,000)	(\$HK2,395,000)
Minority Interests	\$HK203,000	\$HK117,000
<b>Profit/(Loss) Attributable to Shareholders</b>	<b>\$HK180,000</b>	<b>(\$HK2,278,000)</b>

While the Company claims to be computer software company, primarily, it is interesting to note that, with the exception of \$HK120,000 of the Turnover in the 2001 Financial Year, the rest of the Turnover came from trading activities in computer hardware.

The losses for the past 2 Financial Years would have been ... [CLICK TO ORDER FULL ARTICLE](#)

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