

**AKuP INTERNATIONAL HOLDING LTD :  
THERE IS EVERY CHANCE THAT THIS WILL BE A LOSER**

When one sees a Gross Profit Margin of 92 percent, and, then, that amazing discovery is coupled with a relatively massive Provision for Bad and Doubtful Debts, it is time to hang out the red flags, in every quarter.

That is the case in respect of the latest addition to The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd: AKuP International Holding Ltd, Stock Code 8179.

According to the financial statements of the Company for the Financial Year, ended December 31, 2000, the Turnover was about \$HK25.97 million, the Gross Profit was about \$HK24 million, the Provision for Bad and Doubtful Debts was about \$HK8.16 million, and the Bottom Line was a Loss Attributable to Shareholders of about \$HK2.51 million. (More about these matters, later on in this analysis)

This is the first time that this analyst has seen such figures: They are, really, difficult to believe, but they have to be true because a Prospectus is a hand-on-the-heart declaration, for which the Directors, jointly and individually, are responsible.

This Company describes itself as being a computer software producer and vendor, which specialises in *'the design, development, sale and implementation of standardised eCRM (Electronic Customer Relationship Management) software solutions and the provision of IT-related (Information Technology) consulting and training services for commercial enterprises in Asia, namely Taiwan, the PRC (the People's Republic of China), Hong Kong (the Hongkong Special Administrative Region (HKSAR) of the PRC) and Singapore.'* (Page One of the Prospectus)

AKuP International Placed 117 million, 10-cent shares at a Premium of 18 cents per share on Friday, November 2.

At the same time, 9 shareholders determined to bail out of their investments in the Company, selling, in aggregate, 28.70 million shares on the same basis.

The Net Proceeds from the Company's Share Placements are to be used as follows:

1. \$HK6 million to enhancement of the software products;
2. \$HK4 million to research and development;
3. \$HK5 million to marketing and promotion;
4. \$HK8 million to prospective business collaboration; and,
5. \$HK3 million to establishing offices in various places, the PRC, North America and other parts of Asia.

The Company, as at September 30, 2001, had short-term borrowings of about \$HK300,000, only. (Page 112)

Which is another anomaly, in TARGET's opinion, because one would have ... [CLICK TO ORDER FULL ARTICLE](#)

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