

**U-CYBER TECHNOLOGY HOLDINGS LTD :
INDUSTRIAL AND COMMERCIAL BANK OF CHINA
CLOSES IN FOR THE KILL**

U-Cyber Technology Holdings Ltd (Code: 91, Main Board, The Stock Exchange of Hongkong Ltd) appears to be in a great deal of trouble as one of its Principal Bankers pulls the rug from under this investment and property company.

According to TARGET's information, Industrial and Commercial Bank of China (Asia) Ltd has demanded that U-Cyber Technology deliver up vacant possession of certain pieces of property, mortgaged to the bank, immediately.

The reason: U-Cyber Technology, et alii, owes Industrial and Commercial Bank of China more than \$HK17 million; and, the Company has indicated its unwillingness, or inability, to repay the bank that which it is, allegedly, owed.

The property, being seized by Industrial and Commercial Bank of China, comprises Car Parking Space Number 24 on Car Park Level One, Wylie Court, Wylie Path, Kowloon, and House Numbers 1-3, 5-12 and 15-16, Cheung Sha, Lantau Island, known as Lot Number 242 in Demarcation District Number 331.

In addition, the bank is demanding payment of all moneys, principal and interest and all other bank charges to which Industrial and Commercial Bank of China is entitled.

The bank has not only laid its claim against U-Cyber Technology, but, also, against its 3, wholly owned subsidiaries: Keenland Company Ltd; Winnerhill Enterprises Ltd; and, Silver Shore Company Ltd.

In respect of U-Cyber Technology, only, it appears that it stood as guarantor for its subsidiaries at the time that it was known in The Stock Exchange of Hongkong Ltd as Tak Wing Investment (Holdings) Ltd.

TOLFIN (TARGET's Computerised Online Financial Service) indicates that the total amount of money that is owed by U-Cyber Technology et alii is about \$HK17 million, roughly, with most of that money, being owed with regard to the Lantau Island property, which was purchased on the last day of March, 1994, at a cost of about \$HK11.50 million.

The Interim Report of U-Cyber Technology for the period, ended June 30, 2001, shows that the Company incurred a Loss Attributable to Shareholders of just a tad short of \$HK23 million.

That result compared with a Loss Attributable to Shareholders of about \$HK23.36 million for the like 2000 period.

In the 2000 Financial Year, ended December 31, 2000, this Company suffered a Loss Attributable to Shareholders of about \$HK59.70 million.

The Chairman of U-Cyber Technology, on September 19, 2001, told his shareholders, inter alia:

'As at 30th June, 2001, the Group has pledged the properties in Hong Kong with carrying value of approximately HK\$45,000,000 (31st December 2000: HK\$54,780,000) as securities for the bank

loans amounted to HK\$29,414,000 (31st December 2000: HK\$44,378,000). The gearing ratio, as a ratio of bank loans to shareholders' funds, was 19% (31st December 2000: 23%).'

Page 17 of the Interim Report shows that a Director had lent about \$HK42.13 million to the Company, that sum of money, representing an increase of about \$HK39.26 million, or about 1,368 percent, compared with that Director's loan to the Company as at December 31, 2000.

This loan was unsecured, interest-free with no fixed period of repayment.

It stands to reason that the Director's loan – TARGET presumes it is the Chairman, who is the lender – was sorely needed and that the Company's banks were not tickled pink at the prospects of advancing more money to this publicly listed Company – which is, clearly, having its fair share of problems.

As at the Interim Period, U-Cyber Technology was enjoying Net Current Liabilities of about \$HK51.16 million.

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