

**SINO STRIDE TECHNOLOGY (HOLDINGS) LTD :
THE INTELLIGENT WAY TO MAKE A LIVING IN THE PRC**

Now, here's a sudden and pleasant change of pace: A company, operating out of the People's Republic of China (PRC), engaged in producing, what is known in the parlance as '*intelligent buildings*', and having first seen the light of day no more than 5 years ago, has netted about \$HK12.40 million in its fifth year.

And it is forecasting a Net Profit Attributable to Shareholders for the Current Financial Year, ending December 31, 2002, of not less than \$HK30 million.

The company is Sino Stride Technology (Holdings) Ltd, Stock Code Number 8177, The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd.

Sino Stride issued its Placing Prospectus on July 23, 2002 when it Placed 270 million, New one-cent Shares at a Premium of 32 cents per Share.

Mega Start Ltd, the largest single shareholder of the Company, holding 60 percent of the Issued and Fully Paid-Up Share Capital after the Placing, and owned as to 80 percent by the Chairman, Mr Chau Chit, and his wife, Ms Ting Hiu Wan, and 20 percent by Mr Wong Wai Tin, an Executive Director of Sino Stride, grabbed the opportunity to sell 54 million of its Shares on the same basis as the Company.

Mega Start, therefore, banked about \$HK17.82 million, gross, for its hard work, while Sino Stride, walked over to its bankers, armed with about \$HK76.60 million, net of expenses.

The money, raised in this Placement, is earmarked for the following purposes, Page 100 of the Prospectus states:

1. \$HK9.80 million for geographical expansion within the PRC, proper*;
2. \$HK8.20 million for marketing and promotion;
3. \$HK23.20 million for research and development;
4. \$HK17 million for investments in other entities as well as trying to form collaborative ventures;
5. \$HK10.30 million for the repayment of bank loans; and,
6. \$HK8.10 million to be tipped into the General Working Capital Account.

* As opposed to the Hongkong Special Administrative Region (HKSAR) of the PRC

Since Sino Stride was '*born*' in or about November 1997 and it has '*engaged in the development and provision of system integration solutions in the PRC. The Group's customers include government organisations, medical and health organisations, financial institutions, hotels and real estate developers. The principal system integration solutions provided by the Group are intelligent building system integration solutions and computer network system integration solutions ...*'. (Page 55)

The 2 Financial Years, ended December 31, 2001, saw the Net Profits Attributable to Shareholders climb from about 4.57 million renminbi to about 13.15 million renminbi, an increase, Year-on-Year, of about 188 percent.

For the Current Financial Year, ending December 31, 2002, Management has declared that it expects the Bottom Line to rise by another 142 percent, Year-on-Year, to about 31.80 million renminbi.

The following table is lifted from Page 145 of the Prospectus:

	Financial Year ended December 31	
	2000	2001
	All Figures are Denominated in Renminbi (except where otherwise stated)	
Turnover	44,004,668	95,615,191
Cost of Sales	(29,210,386)	(64,344,019)
Gross Profit	14,794,282	31,271,172
Gross Profit Margin*	33.62 percent	32.71 percent
Other Revenue	581,037	762,073
Selling and Distribution Costs	(3,122,819)	(6,072,429)
Administrative Costs	(5,077,559)	(7,295,330)
Other Operating Costs	(919,789)	(1,477,099)
Profit from Operating Activities	6,255,152	17,188,387
Financing Costs	(478,402)	(720,032)
Share of Profits/(Losses) of an Associate	71,165	(2,668)
Profit before Taxes and Minority Interests	5,847,915	16,465,687
Taxation	(926,387)	(1,675,349)
Minority Interests, Net of Taxes	(350,902)	(1,643,393)
Net Profit from Ordinary Activities Attributable to Shareholders	4,570,626	13,146,945
Net Profit Margin*	10.39 percent	13.75 percent

* These are TARGET's calculations

The financing costs, during the track-record period, have been held down due to the fact that the Company was cash rich, for the most part.

The indebtedness of Sino Stride, as at May 31, 2002, stood at about 18 million renminbi, all of which was unsecured.

The Consolidated Balance Sheets, at Page 152 of the Prospectus, shows that, as at December 31, 2001, Sino Stride had cash and cash equivalents, amounting to about 12.86 million renminbi, with another 2.49 million renminbi, being pledged deposits with financial institutions.

The \$HK10.30 million (about 10.92 million renminbi), brought in through the Share Placements and earmarked to retire bank debt, will leave this Company almost debt-free, it would appear.

In addition, according the Consolidated Balance Sheet, the Company has about 33.58 million renminbi in unbilled amounts, due from its customers.

Unlike many companies that come to The GEM, this one appears to be solidly based, financially at least.

Throughout its track-record period, it has ... [CLICK TO ORDER FULL ARTICLE](#)

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