

**ZIDA COMPUTER TECHNOLOGIES LTD:
HAS SOMEBODY BECOME GREEDY ?**

Some people might find it extremely interesting to learn from Management of publicly listed [Zida Computer Technologies Ltd](#) (Code: 859, Main Board, The Stock Exchange of Hongkong Ltd) as to the logic that it pursued in paying out, over the 5 Financial Years, ended March 31, 2003, dividends, aggregating \$HK86.06 million – when the aggregate amount of Net Profits Attributable to Shareholders, during those 5 Years, only amounted to about \$HK13.51 million.

Since dividends may only be paid out of Net Profits, not Capital [with the exception of certain corporate entities of the People's Republic of China (PRC)], one has to assume that the determination of Zida Computer's Management, in paying dividends to shareholders, regardless of the annual results of the company, was based on the availability of distributable revenue, derived from prior Years' profits.

Of course, the largest single shareholders of this company is its Chairman, Mr Eddie Chang Chung Wa, who, beneficially, was the holder of about 59.95 percent of the Issued and Fully Paid-Up Share Capital of the company, as at March 31, 2003.

That being established, it is obvious that just about 60 cents on every dollar, paid out in dividends by this company, went into this 42-year-old gentleman's pockets.

Which was very nice for him, of course.

Today, however, it would appear that Management of Zida Computer is about to be bitten on its proverbial arse for being such a corporate spendthrift – because the walls are closing in on this little company, very quickly.

TARGET wonders just how much longer Zida Computer will be able to survive in view of the most current information.

On December 19, 2003, Management of this manufacturer of computer motherboards* and vendor of other manufacturers' computer components announced that things had gone from bad to horrible, during the first half of the 2003-2004 Financial Year.

The company announced that, on a Turnover of about \$HK384.21 million, it had recorded a Loss Attributable to Shareholders of about \$HK4.55 million.

In the like 2002-2003-Year, the company reported a Turnover of about \$HK806.28 million, on which it recorded a Loss Attributable to Shareholders of about \$HK8.46 million.

It would appear, therefore, prima facie, that the Turnover, during the first half of this Financial Year, had fallen by \$HK422.07 million (about 52 percent, Year-on-Year), while the Bottom Line's Losses had been shaved by about 46 percent, compared with the 2002-2003-Year's Losses for the like period.

Scanning the composition of the Turnover indicates that ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.

 [Site Meter](#)