

**AKAI'S FINANCIAL FAILURE SETS A RECORD FOR HONGKONG ,
BUT WINDING IT UP COULD SET ANOTHER ONE**

TARGET Receives A Warning Letter

In the past 18 months, more than \$HK27 million has been spent on the Liquidation of Akai Holdings Ltd (Code: 448, Main Board, The Stock Exchange of Hongkong Ltd).

That amount of money has been spent on solicitors, accounting firms, real estate agents, financial advisors and, of course, on the Liquidators of the company, Messrs Damien Mark Hodgkinson and Joseph Fan Wai Kuen, of RSM Nelson Wheeler Corporate Advisory Services Ltd.

Mr Damien Hodgkinson told this to TARGET, today, during a telephone interview in respect of the state of play of the Liquidation of what, TARGET has been informed, is one of the trickiest liquidations, seen in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for some years.

Mr Hodgkinson said that, in addition to the \$HK27 million, already spent on the exercise of starting the liquidation of this once, high-flying company of the HKSAR, the Liquidators will be asking creditors to agree to, what he termed, an '*Asset Recovery Charge*'.

This Asset Recovery Charge is being suggested at 12.50 percent of all assets recovered, Mr Hodgkinson explained, but the charge will go into the Akai Holdings's '*pool*' and, then, it will be distributed to the appropriate subsidiaries, down the line.

But the 12.50-percent Asset Recovery Charge will have to be agreed for all assets, held by Akai's subsidiaries, and this matter of the fee will be on the Agenda, to be discussed at a Creditors' Meeting, scheduled for Friday, October 5.

According to Mr Hodgkinson, his fees are only \$HK3,500 per hour, but he has only spent about 10 percent of his time on this case, while more junior accounting staff, costing, say, \$HK800 per hour, spend a great deal more of their time, combing through the '*forest*' of companies, numbering some 160, in all.

Before this Liquidation is complete, the year will be about 2011, TARGET was told.

The reason that a period of one decade has been suggested as the time frame for completion of all the work that is required is because the subsidiaries of Akai are scattered, around the world.

At one time, Akai Holdings had assets, worth in excess of \$US2 billion, Mr Hodgkinson explained, but to unravel the corporate structure, he and his team at RSM Nelson Wheeler have had to sift through some 2,500 boxes of books and records.

Meanwhile, the Founder of the company, Mr James Henry Ting, appears to have gone to ground and was last said to be in Shanghai where he claimed to be suffering from some sickness.

Mr Ting has not been seen in the HKSAR since the end of 1999 when things in his (former) company became very hot.

The company set a record for a Loss Attributable to Shareholders for any financial year of about \$US1.70 billion ... International, Hongkong Branch.

The Warning To TARGET

Following TARGET's telephone conversation with Mr Hodgkinson ... [CLICK TO ORDER FULL ARTICLE](#)

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