

**GREAT WALL CYBERTECH LTD :
GREAT BALLS OF FIRE ! WHAT IS HAPPENING, HERE ?**

A 50-percent-owned associated company of Great Wall Cybertech Ltd (Code: 689, Main Board, The Stock Exchange of Hongkong Ltd) and a wholly owned subsidiary of this manufacturer of consumer electronics have been hit with 2 more legal claims, the third and fourth such claims in the past month.

The latest claims, filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), are for \$HK789,700 and \$HK161,496.05, respectively, with the Plaintiffs to the Actions, being Fong Fan, trading as Wah Yun Mould Manufactory, and Stmicroelectronics Asia Pacific Pte Ltd.

In both cases, the Plaintiffs are alleging that these sums of money are due and owing from the corporate Defendants: Great Wall Electronics Ltd and Video Epoch Ltd.

It was only on Thursday, June 27, that Almar Enterprises Company Ltd went the same route as Fong Fan and Stmicroelectronics Asia Pacific Pte Ltd, issuing its Claim against the same associated company, Great Wall Electronics Ltd, for money due and owing.

Nineteen days earlier, TUV Product Service Asia Ltd sued both this associated company and the parent company, Great Wall Cybertech, for about \$HK489,030, alleging Damages.

It is the seemingly small amounts of money that must be worrying to suppliers and creditors of Great Wall Cybertech, alike – because the fortunes of this publicly listed Company have taken a most decided turn, over the past year or so.

Great Wall Cybertech reported a Net Loss Attributable to Shareholders of about \$HK171.09 million for the Financial Year, ended March 31, 2001.

It was the first Year in the past 5 Years that the Company had reported a Loss.

And the Loss must be considered very material, all things considered.

The Total Liabilities of this Company, as at the 2001 Balance Sheet Date, stood at the record level of about \$HK1.60 billion.

This is an increase of about 16 percent, compared with the 2000 Year, and an increase of about 60 percent, compared with the Total Liabilities, recorded as at the end of the 1997 Financial Year.

In brief, this Company, since at least 1997, has been lumbered with higher and higher liabilities, culminating in ever-higher debt service – without the benefit of a proportional increase in operational profits to justify the expanding debt level.

TARGET, also, notes that the 2001 Turnover of Great Wall Cybertech dropped to its lowest level since 1997, at least – about \$HK2.61 billion.

In the 2000 Year, the Turnover was about \$HK3.04 billion.

The Total Liabilities, as at the end of the 2001 Year, therefore, were equivalent to about 61 percent of the entire activity (Turnover) of the Company.

Still on the subject of the 2001 Financial Year, the Notes to the Accounts ... [CLICK TO ORDER FULL ARTICLE](#)

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