

**GREAT WALL CYBERTECH LTD :
UP AGAINST IT WITH NOWHERE TO GO**

Things appear to be going from bad to worse at publicly listed Great Wall Cybertech Ltd (Code: 689, Main Board, The Stock Exchange of Hongkong Ltd), with the filing of yet another claim against another subsidiary of the consumer electronics manufacturer.

Hou Feng Da Metal Products Ltd has issued Action Number 3234 in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) against Great Wall Electronics Ltd, one of the subsidiary companies of Great Wall Cybertech.

According to the Statement of Claim, attached to the Writ of Summons, Hou Feng Da Metal Products sold and delivered goods to Great Wall Electronics from September 2001 through to May 2002, the value of the goods alleged to be \$HK2,093,380.72.

Great Wall Electronics made a partial payment in the amount of \$HK1,330,813, it is claimed, leaving a balance of \$HK762,567.72, due and owing to the Plaintiff.

Hou Feng Da Metal Products would like to get its money, plus interest on the outstanding sum of money that is alleged to be owed to it.

For a manufacturer of consumer electronics with a Turnover of about \$HK1.10 billion for the first half of its Financial Year, to September 30, 2001, such a sum of money as \$HK762,567.72 would appear to be very small beer.

But Great Wall Cybertech is facing massive losses at its core businesses, having admitted a Loss Attributable to Shareholders of nearly \$HK141 million for the first half of the Year.

That result compared with a Net Profit Attributable to Shareholders of about \$HK25.41 million for the comparable 2001 first half Year.

On July 19, 2002, Great Wall Cybertech informed The Stock Exchange of Hongkong Ltd that it was having a little trouble in announcing and publishing its results for the 2002 Financial Year, ended March 31, 2002.

The announcement said, inter alia:

'Due to unexpected staff turnover of the Company's principal subsidiary in the People's Republic of China, it has encountered difficulties and delay in finalisation and audit of the financial statements of the subsidiary and the Group.'

'The publication of the audited final results announcement of the Company for the year ended 31 March 2002 will be delayed to on or before 16 September 2002... '.

There can be little doubt that shareholders of this company are not expecting that Great Wall Cybertech turned the profit corner in the last half of the Year because that would be beyond belief.

But questions must be asked as to how bad is the problem at this rather large manufacturing conglomerate.

The last time that **TARGET** wrote about this company was on July 12, 2002, in [TARGET Intelligence Report, Volume IV, Number 129](#), in an article, headlined: **GREAT BALLS OF FIRE ! WHAT IS HAPPENING, HERE ?**

In that edition, TARGET reported that a 50-percent-owned associated company and a wholly owned subsidiary company had been hit with 2 more legal ... [CLICK TO ORDER FULL ARTICLE](#)

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