

**B AND S ENTERTAINMENT HOLDINGS LTD :
IT'S ALL B... S..., ANYWAY, ISN'T IT ?**

Miraculous feats of daring are rare in real life, although many people dream about their imagined prowess.

But feats of daring do happen, on the odd occasion.

The last ones that TARGET can recall were those of the exploits of the late Audie Murphy, the most decorated soldier of World War II.

Mr Audie Murphy, sadly, died in an aeroplane crash at the age of 56 years in 1971.

Heroes come and heroes go, but it would appear that would-be daredevils pop up from time to time ... and **Bull Shit**, definitely, goes on forever.

B and S Entertainment Holdings Ltd went public on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd in the last week of July when the Company Placed 60 million, New one-cent Shares at a Premium of 49 cents per Share.

The Siu Kin Fat Brothers – Messrs Siu Luen Fat, Siu Kin Fat and Siu Kuen Fat – decided that, since the Company that they founded was going public, it was high time to cash in some of their ‘chips’ and, to that end, they Placed 40 million of their shares on the same basis as the other tranche of 60 million Placed Shares.

So, the Siu Kin Fat Brothers took home \$HK20 million, gross, while B and S ended up with about \$HK24 million, net of expenses.

Which seems fair enough, one might like to comment.

B AND S describes itself as follows:

‘The Group is principally engaged in the business of (a) production of movies; (b) distribution of copyright/film rights in respect of movies produced by the Group to overseas countries and in Hong Kong; and (c) sub-licensing of film rights in respect of movies procured from overseas movies producers in Hong Kong.’ (Copied word-for-word from the first paragraph of Page 61 of the Placing Prospectus)

The Company was founded, Page 51 of the Prospectus states, on May 16, 1997 by the Siu Kin Fat Brothers, who, prior to getting into the movie business, appeared to be involved, for about 18 years, in buying and selling yarn and in the dyeing of fabrics.

But things have not panned out very well for the Brothers Siu since, according to the track record of B and S for the past 30 months, to December 31, 2001, the Company has lost, in aggregate, about \$HK1.59 million.

However, as will become apparent, later on in this analysis, the losses would have been considerably larger had not the Brothers Siu funded the Company – buckshee.

The following table is taken from Page 129 of the Prospectus:

	Financial Year ended June 30		Six Months to December 31
	2000	2001	2001
	All Figures are Denominated in \$HK'000		
Turnover	23,472	28,267	12,711
Cost of Sales	(19,463)	(21,969)	(9,641)
Gross Profit	4,009	6,298	3,070
Other Revenue	2	19	1
Selling and Distribution Costs	(1,830)	(1,362)	(585)
Administrative Expenses	(4,148)	(4,011)	(1,797)
Other Operating Expenses	(995)	Nil	Nil
Profit/(Loss) from Operating Activities	(2,962)	944	689
Financing Costs	(55)	(52)	(24)
Profit/(Loss) before Taxation	(3,017)	892	665
Taxation	(70)	(45)	(18)
Net Profit/(Loss) from Ordinary Activities Attributable to Shareholders	(3,087)	847	647

Throughout the above, track-record period, B and S has been funded, almost exclusively, by the Brothers Siu, who lent the Company about \$HK41.15 million in the 2000 Financial Year, about \$HK32.61 million in the 2001 Financial Year, and about \$HK27.67 million, during the 6 months, ended December 31, 2001 ... [CLICK TO ORDER FULL ARTICLE](#)

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