

**MEI AH ENTERTAINMENT GROUP LTD:
IS THIS THE END OF THE MOVIE ?**

The big question in a number of creditors' minds, today, could well be whether or not the Li Kuo Hsing Empire, which includes his flagship company, Mei Ah Entertainment Group Ltd (Code: 391, Main Board, The Stock Exchange of Hongkong Ltd), could soon become hopelessly insolvent.

That is, if it is not, already, potentially technically insolvent.

Events of the past week tend to make one think that, indeed, Mei Ah Entertainment, and at least one of its associated companies, could well be in very serious financial trouble – if not today, perhaps in the very near future – say one month, at the outside?

Mei Ah Entertainment is shown, in its 2002 Annual Report, to be the owner of about 29.25 percent of the Issued and Fully Paid-Up Share Capital of M21 Technology Ltd, a company, which is listed on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, having the Stock Code, Number 8153.

M21, since it obtained its listing on The GEM, in March 2001, has lost considerable sums of money, relative to its size, that is – and it continues to lose money, having to sell fixed assets in order to dress up the Profit and Loss Account.

M21's largest single customer is (or was) Mei Ah Entertainment's 45-percent-owned associated company, Cyberworks Audio Video Technology Ltd, a company that is, or was, in the business of processing audio-visual products in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

But, Cyberworks Audio Video Technology is, presently, in a great deal of financial trouble, itself, and may have to go to the wall unless Mei Ah Entertainment's Management can put a fat finger in a certain Dutch corporate giant's dyke.

The Dutch company is that of Koninklijke Philips Electronic N.V. – more commonly known as '*Philips*' – which has, just recently, issued Winding-Up Proceedings against Cyberworks Audio Video Technology.

The Prospectus of M21 listed Cyberworks Audio Video Technology as being responsible for about 90 percent of all sales of M21 for the 2000 Financial Year and the 2001 Financial Year, ended March 31, 2001.

There is no reason to believe that such is not the case – or was the case – today.

M21 is (or was, as at the time of its flotation, being March 30, 2001) 29.50 percent owned by Mei Ah Entertainment.

Therefore, Mei Ah Entertainment must have sold 0.25 percent of the Issued and Fully Paid-Up Share Capital of M21 between 2001 and 2002 and pocketed the cash, which would have formed part of the Profit and Loss Account of that company.

Mei Ah Entertainment had lent about \$HK10.83 million to M21 in what TARGET described as '*seed capital*', when analysing the Prospectus of M21 at the time of its flotation.

Cyberworks Audio Video Technology is, also, owned as to 38.50 percent by Mr Law Kwok Leung, the Chief Executive Officer of M21, and 16.50 percent by Mr Chan Kwok Sun, a Non-Executive Director of M21.

So, the winding up of this company will, also, affect ... [CLICK TO ORDER FULL ARTICLE](#)

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See:

[TARGET Intelligence Report, Volume III, Number 61, published on March 30, 2001](#)

[TARGET Intelligence Report, Volume III, Number 111, published June 15, 2001](#)
[TARGET Intelligence Report, Volume III, Number 210, published at November 9, 2001](#)

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