

**MAE HOLDINGS LTD:  
THE HONGKONG TAXMAN COMES CALLING**

**How Deep Are Your Pockets, Mr Johnson Ko Chun Shun ?**

The Commissioner of Inland Revenue of Hongkong has issued Legal Proceedings in the District Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), claiming \$HK4,835,265 from Mei Ah Electrical and Industry (Hongkong) Ltd ([]).

This follows The Commissioner, informing Mei Ah Electrical by letter, that there would be an additional tax assessment, but Management has been adamant and is resisting the demand.

Mei Ah Electrical and Industry (Hongkong) Ltd is a wholly owned subsidiary of publicly listed MAE Holdings Ltd () (Code: 851, Main Board, The Stock Exchange of Hongkong Ltd).

Mei Ah Electrical and Industry (Hongkong) Ltd is in the business of manufacturing and selling transformers, adaptors and other electrical appliances, according to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

In July 2007, MAE Holdings Ltd raised \$HK60 million by the issuance of New Shares and a Convertible Note to the new Controlling Shareholder.

There followed the installation of a new management team immediately after.

The new Controlling Shareholder is Mr Johnson Ko Chun Shun () who is deemed to be the beneficial owner of about 64.80 percent of the Issued and Fully Paid-Up Share Capital of MAE Holdings Ltd via Prime Sun Group Ltd, which is wholly owned by Mr Johnson Ko Chun Shun.

Borrowings in the 2007 Financial Year rose to about \$HK42.22 million, up from about \$HK150,000, during the 2006-Year.

According to Page 5 of the 2007 Annual Report, all outstanding bank borrowings and finance leases had been retired, subsequent to the Balance Sheet Date.

However, according to the Interim Report of the company for the period, ended October 31, 2007, the company continued to have Current Liabilities, with borrowings of about \$HK20 million.

As at April 30, 2007, a deficit of Shareholders' Funds of about \$HK52.46 million was recorded, while Current Liabilities exceeded Current Assets by about \$HK56.57 million.

As at October 31, 2007, Shareholders' Funds stood at the negative figure of \$HK52.23 million, while Current Liabilities continued to exceed Current Assets by about \$HK10 million.

On a Turnover of about \$HK26.40 million for the 2007 Financial Year, the company recorded a Net Loss Attributable to Shareholders of about \$HK54.67 million [2006: (49.96 million)].

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