



## THE STOCK EXCHANGE OF HONG KONG LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)  
(the “Exchange”)

27 July 2011

The Listing Committee of The Stock Exchange of Hong Kong Limited (the “Listing Committee”) censures Mr Li Kuo Hsing (“Mr Li”), Chairman and an executive director of Mei Ah Entertainment Group Limited (the “Company”) (Stock Code: 391), for his breaches of:

- (1) Rules A3 and B8 of the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) (Appendix 10 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “Listing Rules”)); and
- (2) his obligation under the Declaration and Undertaking with regard to Directors given to the Exchange in the form set out in Appendix 5B to the Listing Rules (the “Undertaking”) by failing to comply with the Listing Rules to the best of his ability.

### Facts

Rule A3(a)(i) of the Model Code provides, among other matters, that a director must not deal in any securities of the listed issuer on any day on which its financial results are published and during the period of 60 days immediately before the publication date of the annual results (the “Black-Out Period”).

Under Rule A3(b) of the Model Code, the listed issuer must notify the Exchange in advance of the commencement of each period during which directors are not allowed to deal.

According to the response to question 64 of “Frequently Asked Questions Series 8” (“FAQ No. 64”) accessible on the Exchange’s website at [http://www.hkex.com.hk/eng/rulesreg/listrules/listrulesfaq/Documents/FAQ\\_8.pdf](http://www.hkex.com.hk/eng/rulesreg/listrules/listrulesfaq/Documents/FAQ_8.pdf), the commencement date of the Black-Out Period does not change if the issuer decides to postpone publishing the results after it has notified the Exchange under Rule A3(b) of the Model Code. The Black-Out Period will be extended and end on the date of publication.

On 31 March 2010, the Company notified the Exchange under Rule A3(b) of the Model Code that the Company’s annual results for the year ended 31 March 2010 (the “Annual Results”) would be announced on or around 31 May 2010, and that the Black-Out Period would commence on 31 March 2010.

On or around 31 March 2010, Mr Li was informed by the Company of the proposed Annual Results publication date and the commencement date of the Black-Out Period referred to above.

Mr Li acquired:

- (a) 20 million shares of the Company at the average price of \$0.174 per share on market on 12 May 2010; and
- (b) 10 million shares of the Company at the average price of \$0.18 per share on market on 13 May 2010.

((a) and (b) together, the “**Dealings**”).

On or around 14 May 2010, Mr Li was informed by the Company that following an on-site visit to the Company’s overseas subsidiaries, it was expected that longer time would be required in completing and auditing the accounts of these subsidiaries and accordingly the Annual Results would not be published until mid-July 2010.

On 17 May 2010, the Company notified the Exchange that the Annual Results would be announced on or around mid-July 2010, and that the Black-Out Period would commence on 15 May 2010. The Exchange informed the Company that the proposed change of the commencement date of the Black-Out Period was not permissible under the Model Code and the commencement date remained 31 March 2010.

On or around 17 May 2010, Mr Li became aware that the commencement of the Black-Out Period should remain 31 March 2010.

On 20 July 2010, the Company announced the Annual Results.

### **Findings of breach by the Committee**

The Listing Committee has considered the submissions of the Listing Division (the “**Division**”) and Mr Li and concluded as follow:

#### Breach of Rules A3(a)(i) and B8 of the Model Code

According to Rule A3(a)(i) of the Model Code (as elaborated in FAQ No. 64), the Black-Out Period in respect of the Company’s Annual Results, started on 31 March 2010 and ended on 20 July 2010.

Rule B8 of the Model Code provides that a director must not deal in any securities of the listed issuer without first notifying in writing the chairman or a director designated for this purpose and receiving a dated written acknowledgement. Mr Li acknowledged that he did not do so in respect of either of the Dealings.

As the Dealings on 12 and 13 May 2010 were conducted within the Black-Out Period and without Mr Li first notifying the designated director of the Company and obtaining a dated written acknowledgement, the Listing Committee concluded that Mr Li has breached Rules A3(a)(i) and B8 of the Model Code.

### Breach of Undertaking

The Committee also concluded that Mr Li has breached his Undertaking to comply with the Listing Rules to the best of his ability, in that:

- (a) despite having received notification from the Company on or about 31 March 2010 of the Black-Out Period in which he was prohibited from dealing in the Company's shares, Mr Li nevertheless conducted the Dealings within the Black-Out Period;
- (b) he did not notify the designated director and received written acknowledgement from the designated director before he conducted the Dealings; and
- (c) prior to conducting the Dealings, he has failed to take steps to ensure the Dealings would be in full compliance with the Model Code.

### **Settlement**

Mr Li admits the breaches of Rules A3(a)(i) and B8 of the Model Code and his Undertaking, and accepts the sanction imposed on him by the Listing Committee.

### **Sanctions**

Having made the findings of breach against Mr Li stated above and noting Mr Li's admission of the breaches, the Listing Committee censures Mr Li for his breaches of Rules A3 and B8 of the Model Code and the Undertaking.

Further, the Listing Committee directs that Mr Li undergo 24 hours of training on Listing Rule compliance, director's duties (including the Model Code requirements) and corporate governance matters to be given by the Hong Kong Institute of Chartered Secretaries, Hong Kong Institute of Directors or other course providers approved by the Division (the "**Training**"), to be completed within 120 days from the publication date of this press release. Mr Li is to confirm to the Division in writing that he has fully complied with this Training requirement and provide the Division with the training provider's written certification of compliance within two weeks after completion of the Training.

For the avoidance of doubt, the Exchange confirms that this public censure applies only to Mr Li and not to the Company or any other past or present Directors of the Company.