

**IS CHAIRMAN DEACON CHIU TE KEN
MAD OR VERY SHREWD ?**

He may have been adjudged as being a little mad.

But, perhaps, not that mad.

TARGET is, of course, referring to Mr Deacon Chiu Te Ken, Chairman of Far East Holdings International Ltd and Far East Consortium International Ltd, both companies, being listed on The Stock Exchange of Hongkong Ltd.

Mr Deacon Chiu Te Ken, as everybody in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) knows, suffers from dementia.

And dementia is incurable because brain cells do not regenerate themselves.

Dementia is, usually, defined as being a condition where one has suffered deterioration of intellectual faculties, such as memory, concentration, and judgment, resulting from an organic disease or disorder of the brain.

Such a condition is often accompanied by emotional disturbance and personality changes.

Madness is a non-medical term, today. In days of yore, however, a person, suffering from dementia, would have been labelled as being mad.

So bad is his mental condition that, at his 1993 trial in the High Court, his doctor described his condition as having holes in his brain.

Sad to say, one can only assume that his mental condition and faculties have deteriorated further than the decaying mass, which described his brain, during his trial.

Mr Deacon Chiu and his son, Mr David Chiu, were both arrested by the Independent Commission Against Corruption (ICAC) in 1988 and 1989, respectively.

They were charged with having committed, between 1982 and 1985, 4 counts of conspiracy to falsify documents of Far East Bank Ltd, those documents, purporting to show that credit facilities, amounting to more than \$HK169 million, had been granted by the bank to various companies; and, 2 counts of conspiracy to furnish false information to the bank in order to negotiate Letters of Credit.

Both Defendants pleaded not guilty to the charges.

After lengthy proceedings, the trial had to be stopped in April 1993, with Mr Justice Leonard, granting Mr Deacon Chiu a stay, maintaining that the good Chairman could not have a fair trial because Mr Chiu had suffered a serious deterioration of his intellectual and memory functions.

The case against Mr David Chiu collapsed, thereafter.

After the determination of the High Court, that Mr Deacon Chiu was more than a little potty, Far East Holdings International Ltd, Far East Consortium International Ltd and Far East Hotels and Entertainment Ltd put out a Press Release, attempting to clarify certain matters, relating to Chairman Deacon Chiu mental condition.

The Press Release, dated August 16, 1993 and headlined, '*Mr Deacon Chiu*', stated, inter alia:

1. The Boards (of the 3 publicly listed companies) had considered the suitability of Mr Deacon Chiu to continue as a Director
and Chairman *'in view of medical evidence which diagnosed Mr. Deacon Chiu as suffering from dementia'*;
2. *'In the opinion of all such directors, he is properly able to understand and discharge his fiduciary and other duties.'*
3. Chairman Deacon Chiu *'will continue to make a very valuable contribution to the business and development of the Far East Group.'*

So, it would appear that the Boards of the 3 publicly listed companies did not, entirely, agree with the determination of Mr Justice Leonard and felt that Chairman Deacon Chiu could understand and discharge his fiduciary duties, adequately.

(It should be pointed out that the Board of Directors of the 3 publicly listed companies comprised, then, in large part, the family of Chairman Deacon Chiu, as they do now: Mr Dennis Chiu; Mr Daniel Chiu; Mr Derek Chiu; Ms Margaret Chiu; Mr Duncan Chiu; and, Mr David Chiu)

Just last Wednesday, it was noted that the Far East Group of Companies had caught fire on the trading floor of The Stock Exchange of Hongkong Ltd, with investors jumping into the shares.

The next day, Thursday, January 27, Chairman Deacon Chiu, signing himself as a Director of Far East Consortium and not its Chairman, sent this message to The Stock Exchange of Hongkong Ltd:

'This statement is made at the request of The Stock Exchange of Hong Kong Limited.

'We have noted the recent increase in the price of the shares of the Company and wish to state that we are not aware of any reasons for such increase.

'We also confirm that there are no negotiations or agreements relating to any intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed under paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

'Made by the order of the Board of the directors of which individually and jointly accept responsibility for the accuracy of this statement.

' By Order of the Board

*Deacon Te Ken Chiu
Director'*

Clearly, Chairman Deacon Chiu was suffering from another of his many lapses of memory, at least last Wednesday, because 2 announcements, made by Far East Consortium and Far East Holdings on Monday, January 29, appeared to clarify further certain matters of the previous Wednesday and Thursday, matters which, clearly, had been overlooked by the potty Chairman.

The announcement from Far East Holdings, signed by Mr Deacon Chiu as Chairman, stated:

We have noted the recent increases in the price and trading volume of the shares of the Company and wish to state that we are not aware of any reasons for such increases except that we were informed by Mr. Deacon Te Ken Chiu Chairman of the Company that he disposed of 17,736,000 shares to an independent third party at HK\$0.34 per share on 25 January 2000.

We wish to clarify certain publication of press articles in Hong Kong today in relation to the Company being the target of a backdoor listing.

'This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

Disposal of shares

We have noted the recent increases in the price and trading volume of the Shares of Far East Holdings International Limited (the "Company") and wish to state that we are not aware of any reasons for such increases except that we were informed by Mr. Deacon Te Ken Chiu, Chairman of the Company, that he disposed of, by private contract, a total of 17,736,000 shares (representing 6% of the issued capital of the Company) from his corporate holding to Max Point Holdings Limited, an independent third party, at HK\$0.34 per share on 25 January 2000. After the above disposal, Mr. Deacon Te Ken Chiu beneficially interested in 41.4% of the issued capital of the Company.

Clarification on press articles

The Company has also noted various articles in the press today which speculated that the Company could be the target of a backdoor listing. We were not aware of the source of such speculation and confirm that the Company and its controlling shareholders were not approached by any potential buyers. However, the Company is exploring the possibility of entering into the high technology business when the opportunity so arise. The Company will make announcements if any deal is reached in this respect.

Save as disclosed herein, we also confirm that there are no negotiations or agreements relating to intended acquisition or realisations which are discloseable under paragraph 3 of the Listing Agreement neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be a price-sensitive nature... '.

The announcement of Far East Consortium, signed by Mr Michael Chi Ning O'Young, Managing Director, differed only slightly from the announcement of Far East Holdings in that it announced that Mr Deacon Te Ken Chiu, the Company's Chairman, had disposed of 3,465,349 shares, representing about 0.37 percent of the Issued and Fully Paid-Up Share Capital of the Company, to Max Point Holdings Ltd, '*an independent third party, at HK\$0.55 per share on 25 January 2000*' (the previous Tuesday).

These 2 share transactions put about \$HK8 million, at most, into the pocket of Chairman Deacon Chiu.

This is not a particularly large sum of money for a man, who makes no bones about being very wealthy, but, then again, one should consider the source of the statements and the mental condition of the utterer of the statements.

It is interesting, too, that Max Point would want to take a stake in both of Chairman Deacon Chiu's companies, after such a long period of virtual dormancy as a go-go share on The Stock Exchange of Hongkong Ltd.

No doubt, the sales of the shares in his 2 publicly listed companies skipped the mind of Chairman Deacon Chiu so that it is ... [CLICK TO ORDER FULL ARTICLE](#)