

**LEUNG KEE DIRECTORS  
UPSHIT CREEK WITHOUT A PADDLE ?**

The 3 Executive Directors of publicly listed Leung Kee Holdings Ltd have got their balls in a ringer, following the September 24, 1999 High Court Order for the compulsory winding up of another company which, in the past, they also controlled.

As a result of the Order of Madame Justice Yeun, Leung Kee's 3 Executive Directors, Messrs Allister Ng Kwai Hang, Lee Yuk San and Tom Cheung Ka Lung, are being asked to shell out about \$HK136.55.

Ideaction Strategic Investment Ltd, now in liquidation, was, until the Winding-Up Order of September 24, 1999, controlled by the 3 Leung Kee's Executive Directors, via Property 2000 Ltd.

Ideaction has sued Orcades Holdings Ltd and Polox Investment Ltd for the recovery of moneys, allegedly advanced to Orcades and Polox in order to allow those 2 companies to purchase shares in Leung Kee Holdings, a company, which is listed on The Stock Exchange of Hongkong Ltd.

Polox is a wholly owned subsidiary of Orcades, while Orcades is the holder of 78,114,000 shares in the Issued and Fully Paid-Up Share Capital of Leung Kee. This amounts to about 9.93 percent of the Issued and Fully Paid-Up Share Capital of Leung Kee.

Clibanus Ltd is another subsidiary of Orcades (as at October 21, 1999, at least) and owns 27.23 percent of the Issued and Fully Paid-Up Share Capital of Leung Kee (214.20 million shares divided into 786,675,989 Issued and Fully Paid-Up Shares), according to TARGET's calculation.

However, High Court Action Number 1265 of 2000 claims that the aggregate number of shares, held by Orcades and Clibanus, equates to 31.20 percent.

Be that as it may, the Statement of Claim, attached to the Writ of Summons, makes the allegation that between May 10, 1993 and December 14, 1995, Ideaction '*... advanced various sums to the 1<sup>st</sup> and/or 2<sup>nd</sup> Defendants to enable the 1<sup>st</sup> Defendant or Clibanus to purchase part or all of the Leung Kee Shares ...As at 31<sup>st</sup> March 1996, the 1<sup>st</sup> and/or 2<sup>nd</sup> Defendants are indebted to the Plaintiff in the total sum of HK\$78,895,391.32. The said indebtedness ... at the agreed rate of 12% p.a. '*

Paragraph 8 (4) of the Statement of Claim, then states:

*'(4) As at 31<sup>st</sup> October 1999, the total amount of interest accrued on the said indebtedness was HK\$48,735,880.99. Full particulars of the relevant interest calculation are set out in Schedule 2 hereto.*

*(5) Further interest continues to accrue on the said indebtedness of HK\$78,895,391.32 at the rate of 12% p.a. from 1<sup>st</sup> November 1999 to the date of payment.*

9. *Further:-*

*(1) On divers occasions between 7<sup>th</sup> May 1994 and 1<sup>st</sup> May 1996, the Plaintiff advanced various sums to the 1<sup>st</sup> Defendant or made various payments on behalf of the 1<sup>st</sup> Defendant at its request, and vice versa. Full particulars of such advances or payments, and the relevant interest calculation, are set out in Schedule 3 hereto.*

(2) As at 31<sup>st</sup> October 1999 –

- (a) The Defendant is indebted to the Plaintiff in the principal sum of HK\$6,313,330.54.
- (b) The total amount of interest accrued on the 1<sup>st</sup> Defendant's said indebtedness to the Plaintiff,  
at the agreed rate of 12% p.a., was HK\$2,609,527.91.

(3) Further interest continues to accrue on the said indebtedness of HK\$6,313,330.54 at the rate of 12% p.a. from 1<sup>st</sup> November 1999 to the date of payment... '.

Ideaction has demanded \$HK78,895,391.32 and \$HK48,735,880.99 (interest on the Principal Sum) from Orcades and/or Polox and \$HK6,313,330.54 and HK\$2,609,527.91 (interest on the Principal Sum) plus the costs of the Action.

Leung Kee is, presently, the subject of a takeover by Global Frequent Ltd, Elegant Wind Ltd and Parkrale Assets Ltd.

An announcement, dated January 24 and advertised in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), stated that the beneficial owners of Global Frequent are a Ms Yang Lan and a Mr Johnson Ko Chun Shun. Elegant Wind is said to be beneficially owned by a Mr Norman Ngan Kwai Kwok.

As for Parkrale Assets ... [CLICK TO ORDER FULL ARTICLE](#)