

ANYBODY INTERESTED IN BUYING THE HOUSE OF CHOI ?

The House of Choi Sai Leung is up for grabs.

The house, located at Number 19, Tai Tam Road, Stanley, is being sold by 'orders' of the Mortgagee, Sin Hua Trust, Savings and Commercial Bank Ltd, part of Bank of China Group.

Since 1996, the Choi Sai Leung Family had been living in this luxury house, having acquired it from Seapower Consortium Company Ltd, a wholly owned subsidiary of I-China Holdings Ltd (Code: 240, Main Board, The Stock Exchange of Hongkong Ltd) for about \$HK82 million, according to the records of TOLFIN (TARGET's Computerised, On-Line Information System).

The 7-storey house stands on a piece of property, measuring about 9,000 square feet. It can accommodate 10 motor cars, under cover, and it, also, sports a swimming pool.

The total interior area of this house is about 12,405 square feet, and it is valued by A.G. Wilkinson and Associates at between \$HK80 million and \$HK85 million.

Mr Choi Sai Leung bought the house via Good Capital International Ltd, according to TOLFIN, that privately held company, especially founded to hold the one piece of property.

According to an official of A.G. Wilkinson and Associates, the house has been fitted out to accommodate Mr Choi's family, exclusively.

TOLFIN, also, indicates that Good Capital owed about \$HK154 million to Sin Hua Trust, Savings and Commercial Bank Ltd, as at February 1, 2000.

On April 18, 2001, Sin Hua Trust, Savings and Commercial Bank Ltd moved in and took over the property, clearly indicating that Good Capital had defaulted on its commitment to the bank.

Mr Choi Sai Leung is the Honorary Chairman of I-China Holdings, having relinquished the post of Chairman and Executive Director of the Company in June 2000, in favour of his daughter, Shirley.

According to the Interim Report of I-China Holdings, this publicly listed company is in a great deal of financial trouble and is facing a massive lawsuit from China Merchants Bank, that bank, having afforded a loan of \$HK176 million to Mr Choi Sai Leung's publicly listed company, back in 1998.

I-China Holdings is, allegedly, in default of the Principal and Interest, owed to China Merchants Bank.

That amount of money is about \$HK379 million, as at September 30, 2000.

China Merchants Bank has sued I-China Holdings, demanding immediate payment of all amounts of money, due to it.

Page 11 of this Interim Report of I-China Holdings makes this statement:

'Against this background, the Directors are currently exploring ways to secure additional external funding for the Group. Provided that there is a satisfactory resolution to the litigation with CMB – China Merchants Bank -- and that the Group is successful in obtaining sufficient additional external funding, the Directors are satisfied that the Group will have sufficient resources to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly the interim financial report has been prepared on a going concern basis.'

It appears that the situation in this company is especially precarious since a Director has had to stand guarantor to banking facilities, amounting to \$HK55 million.

Since Mr Choi Sai Leung is the largest single shareholder of I-China Holdings, TARGET presumes that he is the guarantor of the banking facilities.

The Interim Report indicates that the company suffered a Loss Attributable to Shareholders of nearly \$HK134 million for the period, ended September 30, 2000.

It, also, had Net Current Liabilities of about \$HK607.64 million.

It enjoyed negative Shareholders' Funds of about \$HK75.13 million.

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