

**SHOOT-OUT AT THE SHUN CHEONG CORAL:
THE KWOKS AGAINST THE WONGS
WHO IS QUICKER ON THE DRAW ?**

A shoot-em-up, drag-em-out fight has broken out at contracting company, Shun Cheong Holdings Ltd (Code: 650, Main Board, The Stock Exchange of Hongkong Ltd).

The 2-gun battle is between the 2 largest, single shareholders.

The protagonists are Mr George Kwok Shun On and Mr James Wong Sai Wing.

Mr George Kwok was sacked by his Board of Directors on Monday, July 16, but the official announcement was made only last Wednesday and the Notice of Removal was widely publicised in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the following day.

But the sacking of Mr George Kwok, it appears, was not simply the matter of the High Court Writ that he lodged against his Company in order to thwart the plans of the other Directors to raise about \$HK14 million, but an attempt by the James Wong Faction to water down Mr George Kwok's shareholding in the Company.

That set the stage for the events that unfolded, last Friday, as icy stares were cast across the luxury restaurant, Nicholini's, the Italian restaurant of Hotel Conrad, International, with Mr George Kwok and Mr James Wong, sitting on opposite sides of the eatery.

On June 13, 2001, at a Meeting of the Board of Directors of Shun Cheong, it was decided that the Company would Place 75 million New Shares, raising about \$HK14 million, net of expenses.

The money was said to be an attempt to increase the working capital of the Company.

Mr George Kwok, then the General Manager of Shun Cheong, objected to the idea of a Share Placement, preferring a Rights Issue, stating that the principal ground for his objection was that that would be the only fair way to raise the money since it allowed all shareholders to be treated, equally.

Though Mr George Kwok was overruled at the Board Meeting, he managed to thwart the plans of his fellow Directors by applying to the High Court of the HKSAR and obtaining an ex parte injunction on the grounds that the Share Placement was not in the best interests of all shareholders of the Company.

The 3 Directors of the Company, who voted for the Resolution to have a 75-million Share Placement, eventually had to capitulate to the violent attack of Mr George Kwok, and the Share Placement was withdrawn on July 16.

Shun Cheong, officially, made this announcement on July 13:

'As the Company could not fulfill the conditions of the completion of the Placing Agreement by 5:00 p.m. on 13 July 20001, the Placing has therefore lapsed.

'The obligations of both the Company and the Placing Agent were terminated in accordance with the terms of the Placing Agreement without any compensation ...'.

Mr George Kwok had won the first round – but it had cost him the best part of \$HK1 million to fight his Company in the High Court in order to stop the Share Placement that would have boosted the Issued and Fully Paid-Up Share Capital of the Company by about 19.36 percent.

Sun Cheong, of course, had the benefit of the... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.