

**SOUTH EAST GROUP LTD :
THE CHAIRLADY (?) GOES A-HUNTING FOR HER MONEY**

The (former?) Chairlady of publicly listed South East Group Ltd (Code: 726, Main Board, The Stock Exchange of Hongkong Ltd) has launched a \$HK149-million lawsuit against Fortune Grand Investment Ltd, a company, domiciled in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), in which she has a 10-percent stake.

She is Ms Cheong Swee Kheng, who is shown to be the beneficial shareholder of about 10.60 percent in the Issued and Fully Paid-Up Share Capital of South East Group, as at March 31, 2002.

Fortune Grand is shown in that same Annual Report as being the beneficial owner of 100,132,200 Shares in the Issued and Fully Paid-Up Share Capital of South East Group, equivalent to about 30.29 percent.

According to High Court Action Number 3763, Madame Cheong is a Singaporean and, beneficially, owns 1,000 shares out of 10,000 shares, which is the Issued and Fully Paid-Up Share Capital of Fortune Grand Investment.

The other shares in this private company, which was incorporated in 1994, are owned by:

| | |
|---------------------|--------------|
| Dr Hendra Rahardja | 8,000 shares |
| Ms Sri Wasi Hastuti | 1,000 shares |

Paragraph 5 of the Statement of Claim, attached to the Writ of Summons, alleges that the sole purpose of Fortune Grand Investment was to function as a holding company for investments in the stocks and shares in South East Group.

Dr Hendra Rahardja is the husband of Madame Cheong, according to the 2002 Annual Report of South East Group.

Between July 31, 1997 and January 8, 1999, Madame Cheong is alleged to have advanced her personal funds to Fortune Grand Investment to the extent of \$HK149,205,777.60.

Those funds, advanced by Madame Cheong, were to be considered personal loans to this private company and would be repayable '*upon reasonable demand*'. (Paragraph 7 of the Statement of Claim)

Paragraphs 9 and 10, then, continue:

'By a letter dated 9th August 2002 addressed to the Defendant (Fortune Grand Investment) the Plaintiff (Madame Cheong), through its solicitors, demanded repayment from the Defendant of all monies advanced by the Plaintiff to the Defendant in the amount of HK\$149,205,777.60 within 30 days from the date of demand.

'Wrongfully and in breach of the terms of the Loan Agreement, despite the Plaintiff's request for repayment of the monies advanced to the Defendant, the Defendant has failed and/or refused and/or neglected to repay the monies advanced or any part thereof to the Plaintiff.'

Dr Rahardja, Madame Cheong's husband, the largest single shareholder of Fortune Grand Investment, is shown in the 2002 Annual Report of South East Group as being the beneficial owner of the same number of shares as

the Chairlady: 100,132,200 shares.

It would appear, according to the records of **TOLFIN** (**TARGET**'s Computerised Online Financial Service and Credit-Checking Provider), that South East Group has not done very well over the past 6 Financial Years, ended March 31, 2002.

For those 6 Years, the company has, in aggregate, incurred a Loss Attributable to Shareholders of about \$HK44.61 million.

In 1997, when the Chairlady attests that she started sending money to Fortune Grand Investment from Singapore
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