

**CEDAR BASE ELECTRONIC (GROUP) LTD :
EVEN MORE HEADACHES FOR THE NEW CHAIRMAN**

Dah Sing Bank Ltd, a subsidiary of Dah Sing Financial Holdings Ltd (Code: 440, Main Board, The Stock Exchange of Hongkong Ltd), has pulled the plug on [Cedar Base Electronic \(Group\) Ltd](#) (Code: 855, Main Board, The Stock Exchange of Hongkong Ltd) and its wholly owned subsidiary, Cedar Base Electronic Ltd.

The bank has filed 2, Winding-Up Petitions on this would-be manufacturer of electronic doohickeys.

The latest actions come about 2 months after Dah Sing Bank sued Cedar Base Electronic Ltd and the parent company, itself, for about \$HK3.73 million. The Action was filed in the High Court.

As TARGET mentioned in the Intelligence Report of January 17, 2003 (Please see TARGET Intelligence Report, Volume V, Number 12), Dah Sing Bank's Action, Number 132 of 2003, was in respect of alleged borrowings of Cedar Base Electronic, borrowings that were said to be guaranteed by the publicly listed parent company.

The Action was Number 9 in a list of legal cases, brought against the publicly listed company and/or its subsidiaries, during the previous 2 months, that is going back to November 2002.

That the Cedar Base Group of Companies has been in trouble for some time is hardly news, but the extent to which its Founder, Mr Tong Yiu Lun, has been in financial trouble, even since the company went public on The Stock Exchange of Hongkong Ltd in September 1999, has never been fully appreciated.

Now, the worms are crawling out of the woodwork in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

One has to ask the question, today: Was the flotation of Cedar Base Electronic (Group) executed in order to bail out its Founder with much needed cash, more than any other reason?

Mr Tong Yiu Lun must, now, be referred to as the former Chairman of Cedar Base Electronic (Group) since, over the period of less than 4 years, he has managed to divest himself of every share in the company.

The new Chairman and Substantial Shareholder of this company is Mr Duan Chuan Liang.

Mr Duan Chuan Liang paid a little more than \$HK19 million for his stake in Cedar Base Electronic (Group), that amount of money, allowing him to obtain 21.30 percent of the Issued and Fully Paid-Up Share Capital of the company.

The investing public owns all the other shares.

The extent to which the former Chairman is in financial trouble may be gleaned from the fact that he has, recently, been sued for about \$HK4.50 million by The Bank of East Asia Ltd (Code: 23, Main Board, The Stock Exchange of Hongkong Ltd).

Mr Tong Yiu Lun, according to 2 Writs, filed in the HKSAR High Court, is alleged to be the guarantor of the debts, owed by 2 companies: Star Sparkle Ltd and Silver Village Ltd.

The Bank of East Asia claims that these 2 companies owe it about \$HK2.91 million and \$HK1.51 million, respectively.

Along with Mr Tong Yiu Lun, it is alleged, in High Court Actions 827 and 828, that Mr Tong's wife, Ms Wu Pik Ying, is a co-guarantor ... [CLICK TO ORDER FULL ARTICLE](#)

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