

**ONFEM HOLDINGS LTD :
FRAUD ! SCREAMS MANAGEMENT**

Should the allegations, made in a 22-Page suit, recently filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), prove to be anywhere near the mark, then, it could be a scandal of tremendous and horrific proportions.

The suit is between ONFEM Holdings Ltd (Code: 230, Main Board, The Stock Exchange of Hongkong Ltd) and the following 5 Defendants:

<u>First</u> <u>Defendant:</u>	Cui Gui Sheng, ONFEM's Managing Director between 1999 and 2000;
<u>Second</u> <u>Defendant:</u>	Reginald Ip Shu Wah (also known as Eric Ip Shu Wah) between August 1998 and February 2002;
<u>Third</u> <u>Defendant:</u>	Jointstock Investments Ltd, a nominee of the Fourth Defendant;
<u>Fourth</u> <u>Defendant:</u>	ICEA Financial Services Ltd, a money lender of the HKSAR; and,
<u>Fifth</u> <u>Defendant:</u>	Gold Light Development Ltd.

The gist of the Statement of Claim, attached to the Writ of Summons, Number 916 of 2003, is that the former Managing Director of ONFEM Holdings, Mr Cui Gui Sheng, engineered a scheme, calculated '*to defraud the Plaintiff (ONFEM Holdings) of its assets i.e. HK\$20,000,000 ...*'. (Paragraph 41 of the Statement of Claim)

According to **TOLFIN** (**TARGET**'s Computerised Online Financial Intelligence Service and Credit-Checking Provider), Mr Cui Gui Sheng ceased to be ONFEM's Managing Director, as at March 30, 2001, following his resignation.

ONFEM Holdings describes itself as being a company, '*principally engaged in the business of trading and manufacturing of oil and chemical products, specialized construction contracting and property development.*' (Paragraph One of the Statement of Claim)

Between 1999 and 2000, it is alleged, according to the Statement of Claim, that the following parties constituted the Board of Directors of ONFEM Holdings:

Mr Gao De Zhu	Chairman
Mr Cui Gui Sheng	Managing Director
Mr Li Shi Ming	Deputy Managing Director
Mr Look Guy	Executive Director
Mr Du Sheng	Executive Director, who was removed from office on June 26, 2000

Mr Gao De Zhu, the Statement of Claim alleges, was, ordinarily, a resident of Beijing, the PRC, with the day-to-day running of ONFEM Holdings's HKSAR operations, under the direction and control of the Managing Director (up to March 2001), Mr Cui Gui Sheng.

Paragraph 5. (b) of the Statement of Claim alleges that the Second Defendant, Mr Reginald Ip Shu Wah, was the Financial Controller of ONFEM Holdings until February 4, 2002, when his duties '*were suspended*'. He, subsequently, resigned '*with effect from 3 September 2002*.'

Paragraph 8 alleges that the former Managing Director owed a duty of fidelity to ONFEM Holdings, which included, inter alia: '*not to engage in any conduct or activities whereby his interest may conflict with his duties to the Plaintiff*' (ONFEM Holdings).'

It is alleged that, on or about June 30, 1999, Mr Cui Gui Sheng, as Managing Director of ONFEM Holdings, signed, what is alleged to have been, a Minute of a purported meeting of the Board of Directors, held on that date.

That Minute purports to state that ONFEM Holdings '*agreed to participate in a loan facility in the sum of HK\$20,000,000 granted or to be granted by Jointstock to ICEA ("**the Loan**") by funding 100% of the amount of the loan ...*'.

The Minute indicated that only Mr Cui Gui Sheng, the then Managing Director, and Mr Li Shi Ming, the then Deputy Managing Director, were present at this June 30, 1999 meeting.
ONFEM Holdings's present Board of Directors ... [CLICK TO ORDER FULL ARTICLE](#)

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