

**THE SUN'S GROUP LTD:
WILL THIS COMPANY SURVIVE THE SUMMER ?**

The walls continue to close in on The Sun's Group Ltd (Code: 988, Main Board, The Stock Exchange of Hongkong Ltd), with the chances of it, surviving the summer, becoming more and more slim.

Even the would-be benefactor of this publicly listed company, Mr Wong Kwan, appears to have determined to kiss the company farewell – because he has sought to wind up the entire Group of Companies that comprise The Sun's Group Ltd.

Mr Wong Kwan was mentioned, prominently, in the 2001 Annual Report of The Sun's Group, in the following manner:

'On 13th December, 2001, China Wanan Group Limited ("CWG") entered into a sale and purchase agreement with Charcon Assets Limited, which is beneficially owned by Mr. Wong Kwan, pursuant to which CWG acquired 4,012,000,000 shares of the Company, representing approximately 29.9% of the total issued share capital of the Company. The agreement was completed on 29th January, 2002 and CWG become the substantial shareholder and the single largest shareholder of the Company.'

But, since January 29, 2002, it appears that things have soured, considerably, between Mr Wong Kwan and the publicly listed company that he, clearly, initially sought to restore to financial health.

On April 11, 2003, Mr Wong Kwan issued 2 Winding-Up Proceedings, Numbers 425 and 426 of 2003, against The Sun's Group (Hongkong) Ltd and The Sun's Group Ltd.

Some 4 days later, The Sun's Group issued this statement in respect of Mr Wong Kwan and his legal actions:

'The board of the Company would like to inform its shareholders that each of the Company and a wholly-owned subsidiary of the Company received around the close of business on 11 April 2003 a winding up petition (the "Petitions") respectively filed by Mr. Wong Kwan, a former director of the Company and his wholly-owned subsidiary, Charcon Assets Ltd against the Group at the High Court of the Hongkong Special Administrative Region (the "High Court") claiming outstanding remuneration and loans aggregated to a sum of HK\$61,884,635.07 plus the interest accrued after their due dates or drawdown date. The Petitions are scheduled to be heard at the High Court on 11 June 2003 ...

'The shares of the Company have been suspended from trading at the request of the Company from 9:30 a.m. on 14 April 2003 pending the issued of this announcement ... '.

The Sun's Group, now, considers itself to be a property and hotel investment company, but, over the past few Financial Years, it has gone further and further down the slippery slopes of insolvency.

For the Financial Year, ended December 31, 2001, this company was enjoying an Accumulated Deficit of about \$HK2.25 billion, having lost about \$HK670.02 million, during the 2001 Year, alone.

On April 30, 2003, the company informed its shareholders that it was, still, trying to restructure the group's debts and was continuing to hold negotiations with creditors.

It complained that 4 months – from January 1, 2003 to April 30, 2003 – was insufficient time for the company to comply with the requirements of The Stock Exchange of Hongkong Ltd, specifically, The Rules Governing the Listing of Securities on The Stock Exchange of Hongkong Ltd, Paragraphs 11(1), 11(3), 8(1) and 8(2). As such, it could not publish its final results for the 2002 Financial Year ... [CLICK TO ORDER FULL ARTICLE](#)

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