

**ARCONTECH CORPORATION:
THE HONGKONG AND SHANGHAI BANKING
CORPORATION GOES FOR THE JUGULAR!**

The Hongkong and Shanghai Banking Corporation Ltd, a wholly owned subsidiary of HSBC Holdings plc (Code: 5, Main Board, The Stock Exchange of Hongkong Ltd) has sought to wind up publicly listed Arcontech Corporation (Code: 8097, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd).

And, in another related Action, The Hongkong and Shanghai Banking Corporation Ltd has Petitioned the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) to wind up a wholly owned subsidiary of Arcontech: Arcon Technology Ltd.

Arcontech, a computer software company, was only listed on The GEM in the middle of 2000, but, since that date, it appears to have had one crushing defeat after another.

The Hongkong and Shanghai Banking Corporation Ltd sued 3 of Arcontech's customers at the beginning of this month in respect of alleged monies due and owing to the bank in the aggregate sum of about \$HK23.67 million.

The 3 customers of Arcon Technology are:

<u>Name of Customers</u>	<u>Amount Claimed</u>
Mighty Treasure Trading Ltd	\$HK7,578,824.00
Silver City China Ltd	\$HK11,830,993.95
Wealth-In Industrial Ltd	<u>\$HK4,258,793.00</u>
TOTAL	<u>\$HK23,668,610.95</u>

This case was reported extensively by [TARGET in the Intelligence Report, Volume V, Number 122](#), published on July 2, 2003.

In that report, TARGET stated that The Hongkong and Shanghai Banking Corporation Ltd required Arcon Technology to assign to it its customers' debts, as they fell due.

This factoring agreement, as it is termed, was, clearly, executed in order to give the bank some modicum of comfort for its loans to Arcontech.

For the first 3 quarters of the 2003 Financial Year, ended March 31, Arcontech reported a Net Profit Attributable to Shareholders of about \$HK33.75 million.

On Monday, July 14, Arcontech Corporation put out this announcement:

'The board of directors (the "Board") of Arcontech Corporation (the "Company") refers to the announcement dated 8th July 2003 in relation to the postponement of the announcement of the audited results for the year ended 31 March 2003 and despatch of the annual report of the

Company. The unaudited management accounts for the year ended 31 March 2003, which were originally scheduled to be announced on 11 July 2003, are being finalised and are expected to be published on or before 18 July 2003.'

When Arcontech went public on The GEM, in ... [CLICK TO ORDER FULL ARTICLE](#)

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