

**VANDA SYSTEMS AND COMMUNICATIONS HOLDINGS LTD:  
BANK OF CHINA SUES FOR \$HK2.58 MILLION**

For the second time in 82 days, a company within the leaking ‘*umbrella*’ of publicly listed Vanda Systems and Communications Holdings Ltd (Code: 757, Main Board, The Stock Exchange of Hongkong Ltd) has been sued in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC).

The subsidiary, this time, is Comtech Engineering and Consultant Company Ltd, 58-percent-owned subsidiary of Vanda Systems.

Comtech Engineering featured prominently in **TARGET** Intelligence Report, Volume V, Number 144, published on August 1, 2003 in a report, headlined: [\*\*VANDA SYSTEMS AND COMMUNICATIONS HOLDINGS LTD: SHORT-CHANGED OR SHORT-CIRCUITED ?\*\*](#)

Today, Bank of China (Hongkong) Ltd, part of the giant, financial services conglomerate of BOC Hongkong (Holdings) Ltd (Code: 2388, Main Board, The Stock Exchange of Hongkong Ltd) has gone after Comtech Engineering in an attempt to wrest \$HK2,586,800.26 from it.

According to High Court Action Number 3905, it is being alleged that, on October 23, 2002, evidenced by a purported facility letter, Bank of China granted general banking facilities to Comtech Engineering.

Paragraph 4 of the Statement of Claim, attached to the Writ of Summons, alleges that, as at April 25, 2003, Comtech Engineering owed Bank of China:

1. \$HK79.92 in respect of an overdraft account; and,
2. \$HK2,586,720.34, being \$HK2,506,401.83, the outstanding principal, and \$HK80,318.51, being accrued interest and further interest from April 26, 2003.

It is further alleged at Paragraph 5 that, on June 25, 2003, a letter was sent by the bank to Comtech Engineering, demanding payment in full of all monies, owed by Comtech Engineering to Bank of China, ‘*but the Defendant has not paid the said sum or any part thereof.*’

Subscribers of **TARGET** will recall our exclusive report of August 1, 2003, when this medium wrote:

*‘Thorn Security ((Hongkong) Ltd), in April this year, obtained a Judgment against Comtech Engineering in the amount of about \$HK12.03 million.*

*‘After costs and interest to date, this amount of money has ballooned to more than \$HK18 million.’*

Thorn Security issued legal proceedings against the Nestar Group of Companies, the Nestar Group, being 58 percent owned by Vanda Systems, with Comtech Engineering, being wholly owned by the Nestar Group.

Thorn Security’s Action against the Nestar Group sought about \$HK17.58 million.

It was alleged, in that Action, that Thorn Security had been a creditor of Comtech Engineering, going back to August 1997.

Comtech Engineering, in May 2002, it was alleged in that High Court Action, *'began to transfer its business or parts of its business to the First Defendant (Nestar Hongkong Ltd) or to some or all of the Defendants ...'*

In the final 2 Paragraphs of Thorn Security's Statement of Claim, it was alleged:

*'12. Further or alternatively, a primary purpose for the transfer of the business (or parts of the business) of Comtech to the First Defendant or to the Defendants, as other members of the Nestar group of companies, was to evade the existing or contingent liabilities of Comtech to the Plaintiff. Accordingly, the corporate veil of the First Defendant or of the Defendants should be lifted so that the First Defendant or the Defendants are treated as the same entity as Comtech and are liable for the debts liabilities and obligations of Comtech.*

*'13. Accordingly, the First Defendant or the Defendants are liable to the Plaintiff for all the debts and liabilities due to it by Comtech including those debts and liabilities referred to herein, plus interest and costs, less any amounts that may be paid by or recovered from Comtech.'*

Vanda Systems is, effectively, owned as to ... [CLICK TO ORDER FULL ARTICLE](#)

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