

**CHINA UNITED INTERNATIONAL HOLDINGS LTD:
A \$HK91-MILLION PROPERTY DEAL GOES UP IN SMOKE ?
OR;
WAS IT A \$HK91-MILLION, SMOKEY DEAL IN THE FIRST PLACE ?**

The corporate convolutions of publicly listed [China United International Holdings Ltd](#) (Code: 273, Main Board, The Stock Exchange of Hongkong Ltd) have taken another turn, with the brother of the Chairman of China United, having sued a wholly owned subsidiary of the publicly listed company in an attempt to obtain the best part of \$HK40 million.

That, in essence, is the bone of contention, contained in 3, recently filed Actions, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Last Thursday, in 3 separate Actions, Success Conquer Ltd, Newest Profits Ltd and Angel Hand Investments Ltd, all British Virgin Islands companies and all, beneficially, owned by the brother of the Chairman of China United, Mr Eugene Chuang Yue Chien, issued Writs against Pacific Kingdom Investments Ltd.

Pacific Kingdom Investments is a wholly owned subsidiary of China United and, presumably, the Registered Owner of property, located in North Point, Hongkong Island, namely:

China United Centre,
The 30th, 31st and 32nd Floors,
Number 28, Marble Road,
North Point.

According to the Statements of Claim, attached to High Court Actions Numbers 1082, 1084 and 1085, Pacific Kingdom Investments agreed, on February 10, 2003, to sell the property to the corporate entities of Mr Eugene Chuang Yue Chien for an aggregate sum of \$HK91 million.

But Pacific Kingdom Investments failed to complete the 3 deals, it is alleged, for reasons that have not been spelled out in any of the Statements of Claim, attached to the Writ of Summons.

As a result of Pacific Kingdom Investments, failing to complete the sales, Mr Eugene Chuang Yue Chien's British Virgin Islands's companies are claiming, in total, \$HK38.85 million, plus costs of the 3 Actions.

However, the situation does not stop here because, the Statements of Claim allege that part of the purchase price for the 3 floors of China United Centre would be satisfied by the issuance of 60 million shares in the Issued and Fully Paid-Up Share Capital of Heritage International Holdings Ltd (Code: 412, Main Board, The Stock Exchange of Hongkong Ltd).

The value of those 60 million Heritage International shares, as far as Mr Eugene Chuang Yue Chien's 3 companies were concerned, was said to be \$HK12 million.

That number of shares is equal to about 3.85 percent of the Issued and Fully Paid-Up Share Capital of Heritage International, according to **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

In addition, \$HK23 million of the purchase price of the North Point property would be satisfied by Convertible Bonds, issued by Heritage International to Pacific Kingdom Investments.

Summing up the deals, therefore, Mr Eugene Chuang Yue Chien's 3 British Virgin Islands's companies would have had to pay \$HK56 million in cash to acquire the North Point property, with the remaining \$HK35 million, being satisfied in shares in Heritage International and Heritage International Convertible Bonds.

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