

**INNOVO LEISURE RECREATION HOLDINGS LTD:
FORMER CHAIRMAN IS SUED FOR ANOTHER \$HK218.16 MILLION**

The theme and amusement park of publicly listed [Innovo Leisure Recreation Holdings Ltd](#) (Code: 703, Main Board, The Stock Exchange of Hongkong Ltd), formerly known as Surge Recreation Holdings Ltd, has been closed – and it is unlikely, ever, to be re-opened, at least, not with the current Management of Innovo Leisure Recreation.

But Management of Innovo Leisure Recreation has yet to utter a dickey bird about this latest, rather dramatic situation.

Known as SammyLand, this amusement park is located at Panyu, Guangdong Province, the People's Republic of China (PRC), but, following the assumption of control of Surge Recreation Holdings by Mr Chan Chak Mo on December 12, 2003, there have been somewhat conflicting reports as to what has been happening at the theme park, which is/was the principal source of revenue for Innovo Leisure Recreation.

Mr Chan Chak Mo, today, owns, via Puregain Assets Ltd, 51.327 percent of the Issued and Fully Paid-Up Share Capital of Innovo Leisure Recreation, while the fourth 'wife' of Mr Stanley Ho Hung Sun, of Macau gambling fame, owns 5.50 percent of the Issued and Fully Paid-Up Share Capital, via the British Virgin Islands (BVI) company, Cash Smart Enterprises Ltd.

She is Ms Angela Leong On Kei who, clearly, teamed up with Mr Chan Chak Mo when Cash Smart Enterprises picked up 11 percent of the Issued and Fully Paid-Up Share Capital of Surge Recreation Holding because Mr Chan Chak Mo is the other 50 percent owner of this BVI company, Ms Angela Leong On Kei, legally, being shown as owning only 50 percent of the Share Capital of the company.

But Mr Chan Chak Mo is far from being very happy with his purchase of control of Innovo Leisure Recreation Holdings Ltd, the shares of which, having been suspended from trading on The Stock Exchange of Hongkong Ltd since December 15, 2003.

And these shares may never be relisted again, in view of the latest chapter in the saga of the obviously mishandled affairs of this company.

Recently, Innovo Leisure Recreation Holdings Ltd, along with its wholly owned subsidiary, Penny Farthing Agents Ltd, issued a Writ in the High Court of the Hongkong Special Administrative Region (HKSAR) of the PRC, listing the Founder of Surge Recreation Holdings, Mr Li Tat Ting, as the First Defendant of High Court Action Number 2083, and enjoining all of the other former Directors of this company as Co-Defendants to the Action.

The other 4 Defendants are:

Mr Lawrence Cheung Fuk Chuen
Mr Lam Kam Fai
Mr Tang Tsan Yin
Mr Gary Lee

No Statement of Claim is attached to this High Court Writ of Summons, but the Indorsement of Claim states:

'The 1st and 2nd Plaintiffs (Innovo Leisure Recreation Holdings Ltd and Penny Farthing Agents Ltd, respectively) claim against the 1st, 2nd, 3rd, 4th and 5th Defendants for:-

- (1) damages in a sum of HK\$149,427,000.00 being the loss of investments in the books of the 1st and 2nd Plaintiff due to the closing down of the operation of Sammyland (i.e. an amusement park in Panyu, Guangdong, PRC) as a result of the 1st Defendant's breaches of duty of care and/or fiduciary duty as a director of both the 1st and/or 2nd Plaintiffs and the 2nd, 3rd, 4th and/or 5th Defendant's breaches of duty of care and/or fiduciary duty as directors of the 1st Plaintiff;*
- (2) interest;*
- (3) costs; and*
- (4) such further and/or other relief as this Honourable Court deems just.*

The 1st Plaintiff claims against the 1st, 2nd, 3rd, 4th and 5th Defendants for:-

- (1) a sum of approximately HK\$36.72 million, being proceeds from the issue of 108,000,000 new shares at HK\$0.34 per share under the 1st Plaintiff's Initial Public Offer completed in August 2002, misappropriated by and/or with the knowledge or approval of the 1st, 2nd, 3rd, 4th and/or 5th Defendant; and*
- (2) an account of, and inquiry for the purpose of tracing into the said sum of approximately HK\$36.72 million and what have become of the same.*
- (3) damages in a sum of HK\$32,014,000.00 being loan advanced to Panyu Fantasy Film City Limited by the 1st Plaintiff which becomes unrecoverable as a result of the closing down of the operation of Sammyland; and*
- (4) damages or equitable compensation for losses suffered by the 1st Plaintiff in entering into an agreement with China Fortune Resources Limited for the acquisition of the shares in Silver Bay Commodities Limited as a result of the 1st, 2nd, 3rd, 4th and/or 5th Defendant's breaches of duty of care and/or fiduciary duty as directors of the 1st Plaintiff;*
- (5) interest;*
- (6) costs, and*
- (7) such further and/or other relief as this Honourable Court deems just.'*

The statements and allegations, contained in this High Court Action, are the first definitive declaration from the Innovo Leisure Recreation that the Panyu theme park has ceased operations, completely, assuming, of course, that the statements and allegations, contained in this Indorsement of Claim, are accurate in all respects. On September 26, 2003, Mr Lawrence Cheung Fuk Chuen, a former Director of Surge Recreation Holdings, as the company was then known, said, about SammyLand ... [CLICK TO ORDER FULL ARTICLE](#)

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