

**SINO-i TECHNOLOGY LTD:
HERE IS A \$HK43-MILLION PROBLEM**

With the filing in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) of High Court Action Number 2801, it would appear that an entire can of worms are about to be let loose.

Sojitz (Hongkong) Ltd, formerly known as Nissho Iwai Hongkong Corporation Ltd, has thrown down the gauntlet at the feet of Shenzhen Golden Era Industry Development Company Ltd (First Defendant) and Mr Fu Liang (Second Defendant), claiming, effectively, about \$US5,589,952.55 (about \$HK43 million) from both Defendants.

In the Indorsement of Claim, attached to Writ of Summons Number 2801, it merely states that there was a purported loan agreement, dated December 17, 1997, in the sum of \$US3 million and that outstanding interest on this Principal Sum amounts to \$US2,589,952.55.

Sojitz (Hongkong) Ltd wants its money.

Shenzhen Golden Era Industry Development Company Ltd is in the business of property investment and development in the PRC, proper.

As at March 31, 2000, it was owned as to 30 percent by publicly listed Sino-i.com Ltd (Code: 250, Main Board, The Stock Exchange of Hongkong Ltd), which is the parent company of South Sea Holding Company Ltd (Code: 680, Main Board, The Stock Exchange of Hongkong Ltd).

(Sino-i.com Ltd changed its name to Sino-I Technology Ltd on July 23, 2003)

In the 2003 Annual Report of Sino-i Technology, Shenzhen Golden Era Industry Development Ltd is referred to in the following manner, copied from Page 78:

'Shenzhen Liu Wan (Industry Development Company Ltd) was a cooperative joint venture established for a period of 50 years up to April 2049 under a joint venture agreement dated 28 March 2000 among Shenzhen Gold Era Industry Development Co. Ltd. ("Shenzhen Golden Era"), Liu Wan Investment Company Limited (a subsidiary of Liu Wan (BVI) [Liu Wan Development (BVI) Company Ltd], Liu Wan (BVI), and a PRC party. Pursuant to the agreement, Shenzhen Golden Era injected a land site in Shenzhen into Shenzhen Liu Wan in return for a 10% entitlement of profit sharing in Shenzhen Liu Wan. According to an agreement, dated 30 April 2000, the PRC party transferred all of its 5% interest including the profit-sharing and control in Shenzhen Liu Wan to Liu Wan (BVI) for a consideration of RMB321,000,000 (about \$HK302.83 million). According to an agreement dated 10 August 2000, Shenzhen Golden Era transferred all its 10% profit-sharing interest in Shenzhen Liu Wan to Liu Wan (BVI) for a consideration of HK\$500,000,000. As a result, Liu Wan (BVI) directly and indirectly owns 100% equity interest in Shenzhen Liu Wan.'

Page 70 of the 2003 Annual Report of South Sea Holding shows the following:

LAND HELD FOR DEVELOPMENT

Location	Interest Attributable to the Group in percentage	Total Gross Floor Area on Completion in Square Metres, Approximately	Type of Development	Expected Year of Completion	Stage of Development
Reclaimed Site, located at Liu Wan, Shekou, Shenzhen, Guangdong Province, the PRC	100	1,241,837	Shopping Arcade/Residential/Hotel/Recreational Facilities	2009	Preparatory Work

That is straightforward, enough, but enjoinder of Mr Fu Liang as the Second Defendant in High Court Action Number 2801 throws a slightly different complexion on this matter.

Mr Fu Liang ... [CLICK TO ORDER FULL ARTICLE](#)

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