

**FOUNDATION GROUP LTD:
CHAIRMAN ALEX WONG CHING PING FINDS HIMSELF
IN A LITTLE STICKY SITUATION**

The Chairman of Foundation Group Ltd, Mr Alex Wong Ching Ping, has been sued for about \$HK71.64 million.

It appears that the corporate ghosts of the past have come back to haunt him.

CATIC International Finance Ltd is the Plaintiff in High Court Action Number 604, in which Goldhall Enterprises Incorporated is named as the First Defendant, with Mr Alex Wong Ching Ping, being named as the Second Defendant.

It is the allegation of CATIC International Finance Ltd that Mr Alex Wong Ching Ping is the Guarantor of monies, lent by CATIC International Finance Ltd to Goldhall Enterprises Incorporated, going back on December 16, 1996.

Goldhall Enterprises Incorporated is a company, which was incorporated in the British Virgin Islands on September 12, 1997.

At the time of the alleged loan by CATIC International Finance Ltd to Goldhall Enterprises Incorporated, Mr Alex Wong Ching Ping was the Chairman of Capital Asia Ltd (Code: 283, Main Board, The Stock Exchange of Hongkong Ltd, now renamed Matsunichi Communication Holdings Ltd).

At Paragraph 3 of the Statement of Claim, attached to Writ of Summons Number 604, it is alleged that there exists a loan agreement, drafted in the Chinese language and dated December 16, 1996, whereby it was agreed that CATIC Cal Holdings Ltd would borrow from CATIC International Finance Ltd, the sum of \$HK39.88 million.

This loan, it is claimed, was to be for a period of one year and the interest factor on it would be 10 percent per annum.

Paragraph 4 of this Statement of Claim continues by alleging that, on December 20, 1996, just 4 days after the loan agreement had been finalised, Capital Asia Ltd, the publicly listed company in which Mr Alex Wong Ching Ping was the Chairman, came into another agreement whereby Capital Asia Ltd and CATIC International Finance Ltd agreed to be shareholders of CATIC Cal Holdings Ltd.

The agreement included, among other things, that CATIC Cal Holdings Ltd would issue to CATIC International Finance Ltd, a Convertible Note in the face value of \$HK39.88 million, convertible into 49 shares in the Issued and Fully Paid-Up Share Capital of CATIC Cal Holdings Ltd.

The Convertible Note would carry an interest coupon at the rate of 10 percent per annum from the date of issue up to the Repayment Date.

Capital Asia Ltd '*unconditionally and irrevocably*' guaranteed to CATIC International Finance Ltd, all of the obligations of CATIC Cal Holdings Ltd. (Paragraph 4.(2) of the Statement of Claim)

The deal went through, it is alleged at Paragraphs 5 and 6, on January 3, 1997.

Goldhall Enterprises Incorporated came into the picture on or about October 15, 1997, when this British Virgin Islands's company replaced Capital Asia Ltd as Guarantor to CATIC International Finance Ltd, taking up all of

the obligations and responsibilities in respect of '*the performance of all obligations of the Plaintiff under the SS*' (Subscription and Shareholders' Agreement of December 20, 1996) whereby CATIC International Finance Ltd and Capital Asia Ltd would become shareholders of CATIC Cal Holdings Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

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