

**EZCOM HOLDINGS LTD:  
THIS, SURELY, MUST BE THE END OF THIS AGONY!**

With known debts of more than \$HK134 million and with the company, facing winding-up petitions and a multitude of other legal proceedings, some of which are for very material sums of money, it looks, very much, as though this must be approaching the end of publicly listed [Ezcom Holdings Ltd](#) (Code: 312, Main Board, The Stock Exchange of Hongkong Ltd).

The shares of Ezcom Holdings have been suspended from trading on The Stock Exchange of Hongkong Ltd since May 17, 2005, and, in view of the intelligence that **TARGET** has on hand about this company, the shares may never be traded again ... unless a very well-heeled, white knight comes galloping along to save Chairman Kok Kin Hok's proverbial bacon.

The business of Ezcom Holdings is supposed to be, principally, the sales of mobile telephones, mostly in the People's Republic of China (PRC), but, for past 62 months, ended September 30, 2004, the company has suffered Losses Attributable to Shareholders of at least \$HK312.23 million, according to the database of **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

The situation, clearly, has become much worse, of late, however, because, in the past 9 days, Ezcom Holdings has been sued another 3 times in the Hongkong Special Administrative Region (HKSAR) of the PRC.

These 3 Writs were all lodged by Nanyang Commercial Bank Ltd and are, in order of their respective chronologies, High Court Actions Numbers 1137, 1156 and 1269.

The total amount of money, being claimed in these Writs, is about \$HK23 million.

**High Court Action Number 1137**

Nanyang Commercial Bank Ltd sued the following companies and individual on June 15, 2005:

Ezcom Electronics Ltd*	First Defendant
Ezcom Technology Ltd*	Second Defendant
Ezcom Holdings Ltd*	Third Defendant
Kok Kin Hok**	Fourth Defendant

\* These companies are wholly owned subsidiaries of publicly listed Ezcom Holdings Ltd

\*\*Mr Kok Kin Hok is the Chairman of Ezcom Holdings Ltd, owning, legally, 53.83 percent of the Issued and Fully Paid-Up Capital of the company.

In the Statement of Claim, attached to High Court Action Number 1137, it is alleged that Ezcom Electronics Ltd, the First Defendant, was a customer of the bank and that, on September 25, 2002, a General Commercial Agreement was drafted between the bank and the First Defendant, along with a Letter of Indemnity for a Shipping Guarantee.

In addition, an Undertaking for Repayment of US dollar Overdrafts, dated April 16, 2004, was drafted, 2 General Banking Facilities, dated March 30, 2004, and October 7, 2004, and an Assignment of Debts, dated April 28, 2005, were, also, all executed between borrower and lender.

Paragraph 3 of the Statement of Claim alleges that, on May 19, 2004, Ezcom Technology Ltd 'executed a Charge on Deposit ("the Charge") in favour of the Plaintiff whereby the 2<sup>nd</sup> Defendant charged to the Plaintiff various sums ("the Charged Sums") together with interest thereon as securities for such general banking facilities from time to time granted by the Plaintiff to the 1<sup>st</sup> Defendant subject to the terms and conditions therein contained.'

The Third Defendant, that is the publicly listed company, was said to have executed a Deed of Guarantee in favour of Nanyang Commercial Bank on April 15, 2004, securing the General Banking Facilities for the First Defendant up to a limit of \$HK65 million.

Chairman Kok Kin Hok, likewise, executed a Deed of Guarantee, one very similar to that that had been executed by the Third Defendant in favour of the Plaintiff.

Then, on April 28, 2005, it is alleged that the Second Defendant executed a Deed of Guarantee in favour of the bank as further security for General Banking Facilities, afforded to the First Defendant for an unlimited amount of money.

As at April 6, 2005, it is alleged that the First Defendant was indebted to Nanyang Commercial bank in the amount of a Principal Sum of \$US963,500 (about \$HK7.52 million) together with interest of \$US856.44 (about \$HK6,680).

Letters were, allegedly, sent to all of the Defendants in this Action via the bank's solicitors, demanding immediate payment of debts.

None of the Defendants, it is alleged, responded positively to the demands of the bank.

Nanyang Commercial Bank swooped down on the securities of the Defendants that it was holding and offset part of the debt of Ezcom Electronics, the First Defendant, leaving an unpaid amount of \$US467,493.71 (about \$HK3.65 million) plus unpaid interest of \$US4,710.65 (about \$HK36,743).

The bank wants its money.

### **High Court Action Number 1156**

Nanyang Commercial Bank Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

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