

**MAGICIAN INDUSTRIES (HOLDINGS) LTD:  
HOW TIGHT IS THE CASH POSITION AT THIS COMPANY ?**

... As The Writs Continue To Flow

There are very strong indications, now, that publicly listed [Magician Industries \(Holdings\) Ltd](#) (Code: 526, Main Board, The Stock Exchange of Hongkong Ltd) is very short of ready cash.

If that is not the case, then, the administration at this company must, really, be in a terrible state.

That has to be the case on viewing the numerous legal proceedings, which have been lodged in various Courts of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) of late.

Since **TARGET**'s last report on this manufacturer of household products of Friday, June 15, 2005 (Please see **TARGET** Intelligence Report, Volume VII, Number 110), at least 2 more claims have been filed in the HKSAR District Court, naming, in one case, Magician Industries as the Defendant, and, in the other case, Diyon Development Ltd as the lone Defendant.

Herbert Smith, an HKSAR solicitors' firm, has filed District Court Action Number 2787; and, Process Plastic Material Company Ltd has filed District Court Action Number 2898.

Herbert Smith has alleged that Magician Industries owes the firm about \$HK752,276.34 in respect of '*work carried out by the Plaintiff (Herbert Smith) as solicitors of the Defendant (Magician Industries) pursuant to written terms of engagement approved by the Defendant's board of directors at their board meeting on 23 December 2004 ...*'.

The total bill for the work performed by this firm of solicitors is alleged to have been \$HK911,633.06, with Magician Industries, having paid only \$HK159,356.72 of that sum of money.

That leaves a sum of \$HK752,276.34 still unpaid and, since Herbert Smith's bills were presented between January 10, 2005, and March 31, 2005, it appears that this firm of solicitors is tired of waiting any longer.

In the case of Process Plastic Material Company Ltd, it has sued Diyon Development Ltd in the HKSAR District Court with regard to alleged bills, some of which date back to October 13, 2004.

Process Plastic Material Company Ltd is looking to recover \$HK97,920 from Diyon Development plus interest and costs.

The allegations of this supplier of goods to Diyon Development are that it presented its bills for goods and services rendered since the last quarter of 2004 in the aggregate sum of \$HK117,920, but, to date, Process Plastic Material Company Ltd has only received \$HK20,000 as a partial payment on its bills.

Paragraph 5 of Statement of Claim, attached to Writ of Summons Number 2898, alleges:

*'Despite the Plaintiff's (Process Plastic Material Company Ltd) repeated requests, the Defendant (Diyon Development) refused and still refuses to settle the aforesaid sum of HK\$97,920.00 of any part thereof.'*

Diyon Development is a 66.66-percent-owned subsidiary of Magician Industries, the remaining 33.33 percent of the Issued and Fully Paid-Up Share Capital of this company, being owned, legally, by the son of the Founder of Magician Industries, Mr Kong Yick Ming, the present Chairman of the publicly listed company.

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