

**ZHONG HUA INTERNATIONAL HOLDINGS LTD:
OVERSEAS COMPANY SUES FOR \$HK33 MILLION**

For the third time in 3 months, publicly listed [Zhong Hua International Holdings Ltd \(中華國際控股有限公司\)](#) (Code: 1064, Main Board, The Stock Exchange of Hongkong Ltd) is on the receiving end of a multi-million-dollar claim.

This time, the claim has come from a company, not domiciled in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), and is for the alleged uttering of a bad cheque in the amount of \$HK33 million.

According to High Court Action Number 2208, Applause Enterprises Ltd (the Plaintiff) '*claims the sum of HK\$33,000,000.00 against the Defendant (Zhong Hua International) as the drawer of a cheque for the said sum made payable to the Plaintiff and drawn by the Defendant upon CITIC Ka Wah Bank (中信嘉華銀行有限公司), particulars of which are as follows:*

<u>Date</u>	<u>Particulars</u> <u>Cheque No.</u>	<u>Amount (HK\$)</u>
15.10.2005	000004	33,000,000.00'

It is alleged, at Paragraph 2 of the Statement of Claim, attached to the Writ of Summons, that, when the cheque was presented for payment, it was returned '*dishonoured and marked "refer to drawer" by Wing Hang Bank.*'

A letter was, allegedly, sent by Applause Enterprises Ltd via its HKSAR solicitors' firm, informing Zhong Hua International of the dishonour of the said cheque and demanding immediate payment of the sum of \$HK33 million.

On August 31, 2005, this medium reported that Ms Suen Kwai Kam issued High Court Action Number 1691 in the HKSAR High Court, naming the following parties as Defendants:

Zhong Hua International Holdings Ltd	First Defendant
China Land Realty Investment (BVI) Ltd	Second Defendant
Ho Tsam Hung (何湛雄)	Third Defendant
Carrie Bernadette Ho	Fourth Defendant
Rebecca Yam Ka Yin (任嘉燕)	Fifth Defendant
Alex Chun Wai Yin	Sixth Defendant

In the Indorsement of Claim, attached to High Court Action Number 1691, it was claimed:

1. Against the Second Defendant, the sum of \$HK33.50 million;
2. Against the First Defendant and the Third Defendant, the sum of \$HK33.50 million;
3. Against all of the Defendants with the exception of the Fifth Defendant:

'All damages (including but not limited to the Outstanding Consideration) arising from or in relation to the fraudulent misrepresentations made by and/or breach of warranties by

the 1st Defendant, the 2nd Defendant, the 3rd Defendant, the 4th Defendant and the 6th Defendant in relation to the payment of the Outstanding consideration.'

4. Against the First Defendant, the Second Defendant, the Third Defendant and the Fifth Defendant:

'All damages (including by not limited to the Profit Sharing) arising from or in relation to the fraudulent misrepresentation made by and/or breach of warranties by the 1st Defendant, the 2nd Defendant, the 3rd Defendant and the 5th Defendant to the Plaintiff in relation to the payment of Profit Sharing.'

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