

**ORIENT INDUSTRIES HOLDINGS LTD:
IS THIS A PANDORA'S BOX, ABOUT TO BE OPENED ?**

Whether or not the Regulatory Authorities will be looking into the allegations of Mr Cheng Kung Ming (), contained in a lawsuit, recently filed in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), **TARGET** () has no idea, but it would appear to be a good idea, considering the intelligence that this medium has unearthed.

High Court Action Number 525 is between Mr Cheng Kung Ming (the Plaintiff) and Mr Frederick Wong Man Hon () (the Defendant) and is for the recovery of \$HK1.30 million.

The Defendant is an Executive Director of Unity Investments Holdings Ltd () (Code: 913, Main Board, The Stock Exchange of Hongkong Ltd), having been appointed on January 24, 2006, according to the database of **TOLFIN** () (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

TOLFIN's records, also, indicates that Mr Frederick Wong Man Hon owns about 11.95 percent of the Issued and Fully Paid-Up Share Capital of Unity Investments, as at the date of his appointment to the Board of Directors of that investment company.

The Statement of Claim, attached to HKSAR High Court Action Number 525, alleges the following:

- '1. *By a written agreement ("the Agreement") made on 25th September 2005 between the Plaintiff and the Defendant, the Plaintiff agreed to purchase 1,640,000 shares of stock ("the Shares") in Orient Industries Holdings Limited () (Stock code 353) ("the Company") at a price per share of HK\$0.79 ("the Purchase Price"), during the period between 23rd September and 30th October 2005.*
- '2. *In consideration of the Plaintiff entering into the Agreement, by clause (1) of the Agreement the Defendant guaranteed that the Defendant would sell the Shares by 31st December 2005 ("the Date") and would be able to secure a profit of more than 20%.*
- '3. *By clause 2 of the Agreement the Defendant guaranteed that if the Shares could not be sold by the Date in entirety or in part, or if the price of the Shares should fall below the Purchase Price, the Defendant would purchase the Shares from the Plaintiff at the Purchase Price.*
- '4. *By clause 3 of the Agreement, the Defendant guaranteed that should trading in the shares of the Company be suspended at the Hong Kong Stock Exchange Limited, the Defendant would immediately indemnify the Plaintiff against his loss by reimbursing him the consideration of the shares at not below the Purchase Price.*
- '5. *Pursuant to the Agreement, on 21 October 2005 the Plaintiff purchased the Shares at the Purchase Price. On 29th November 2005, trading of the shares of the Company was suspended.*
- '6. *In further pursuance to the Agreement, the Plaintiff through his solicitors, by a letter to the Defendant dated 11th January 2006, demanded payment from the*

Defendant the Purchase Price for the Shares and related costs and expenses incurred in the transaction.

- ‘7. In further pursuance of the Agreement, on or around 26th January 2006, the Defendant delivered to the Plaintiff the cheque no. 252671 (“the Cheque”) dated 26 January 2006 amounting to HK\$1,300,000.00 and drawn on the Bank of China (Hong Kong) Limited.*
- ‘8. The Plaintiff duly presented the Cheque for payment on the due date and it was dishonoured and returned for the reason “refer to drawer”. The Plaintiff has duly given notice of such dishonour to the Defendant as per letter from the Plaintiff’s solicitors dated 22nd February 2006, or alternatively notice of dishonour is dispensed with under section 50(2)(c)(iv) of the Bills of Exchange Ordinance, Cap.19.*
- ‘9. Despite the Plaintiff’s repeated demands and requests for payment, the Defendant has still failed and/or refused to settle the said sum of HK\$1,300,000.00 or any part thereof.*
- ‘10. The Plaintiff therefore claims against the Defendant as the drawer of the Cheque for the total sum of HK\$1,300,000.00.*
The Plaintiff also claims interest respectively on HK\$1,300,000.00 from 26th January 2006 up to the date of payment or judgment whichever is earlier pursuant to section 57(a)(ii) of the Bills of Exchange Ordinance Cap. 19; or alternatively, the Plaintiff claims interest pursuant to sections 48 and 49 of the High Court Ordinance, Cap. 4 at such rate and for such period as this Honourable Court may deem just.’

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