

**PICO FAR EAST HOLDINGS LTD:
WHAT IS GOING ON, HERE ?**

It is difficult to believe, but, nevertheless, corporate entities of publicly listed Pico Far East Holdings Ltd () (Code: 752, Main Board, The Stock Exchange of Hongkong Ltd) have amassed quite a number of legal claims over the past few months, mostly in the People's Republic of China (PRC), proper, being distinct and separate from the Hongkong Special Administrative Region (HKSAR) of the PRC.

The reason that this medium finds this very strange is because, for the Financial Year, ended October 31, 2008, Pico Far East Holdings Ltd reported a Net Profit Attributable to Shareholders of about \$HK187 million and, as at the 2008 Balance Sheet Date, the company had cash and bank balances, amounting to about \$HK560 million.

And, for the 6-month period, ended April 30, 2009, the company had logged in a Net Profit Attributable to Shareholders of about \$HK69 million on a Turnover of about \$HK1.05 billion.

The legal claims, lodged against corporate entities of Pico Far East Holdings Ltd, are for very small sums of money, relative to the financial strength of this exhibition design and construction company.

On September 2, 2009, a wholly owned subsidiary of Pico Far East Holdings Ltd, namely Pico Contracts Ltd (), was sued in the HKSAR High Court for \$HK677,5000.

The Plaintiff to this Action, Conga Communication Ltd, alleged that the Defendant entered into a contract with it for the *'supply and carry out installation of exhibition works for the Plaintiff at Yamen Building and the surrounding area at the Kowloon Walled City Park ... and the Defendant agreed to pay the total contract sum of HK\$1,460,500.00.'*

Paragraph 4 of the Statement of Claim, attached to Writ of Summons, Number 3935, alleges that the Defendant did pay to the Plaintiff the sum of \$HK783,000, but it did not pay the balance of the contract sum: \$HK677,500.00.

So, Conga Communication Ltd has put the matter in the hands of its solicitor; and, the war is about to commence.

On June 30, 2009, Tectura Hongkong Ltd sued Pico Global Services Ltd (), a wholly owned subsidiary of Pico Far East Holdings Ltd, in respect of Money Due and Owing in the amount of about \$HK1.20 million.

In this matter, it is alleged that the Plaintiff, *'a software programming and technical support provider/consultant to its customers'* entered into an agreement with the Defendant *'to provide and the Defendant agreed to retain the Plaintiff's consulting services for the Defendant's implementation of a Microsoft Axapta System ("MAS") for PICO's Hong Kong, China and Singapore operation.'*

It is alleged that the Plaintiff issued invoices to the Defendant between July 31, 2008, and January 9, 2009, in the total amount of \$HK956,250.00.

Paragraph 14 of the Statement of Claim, attached to Writ of Summons, Number 1518, alleges that *'the*

Defendant has failed and/or refused to pay to the Plaintiff any part of the fees for the aforesaid services rendered or at all, despite repeated requests and demands by the Plaintiff.'

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