

**LAUNCH TECH COMPANY LTD:
WHAT IS THE STORY HERE ?**

While publicly listed Launch Tech Company Ltd () (Code: 8196, The **G**rowth **E**nterprise **M**arket [**The GEM**] of The Stock Exchange of Hongkong Ltd) has made profits over the years and continues so to do, strange happenings have taken place of late, making one ponder, exactly, what is Management thinking.

The latest, somewhat puzzling incident has been a Writ of Summons, filed in the District Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) between Mega Capital (Asia) Company Ltd (□), the Plaintiff, and Launch Tech Company Ltd.

The Writ of Summons, Action Number 4583, and the attached Statement of Claim are in the Chinese language, but the gist of the complaint* is as follows:

1. The Plaintiff is a company, registered in the HKSAR and is operating in the HKSAR;
2. The Defendant is a company, registered in the PRC, proper, being distinct and separate from the HKSAR of the PRC, and is operating in the PRC;
3. There was a purported Agreement, allegedly signed in November 2007, whereby Launch Tech Company Ltd appointed the Plaintiff as Sole Sponsor to the Company as well as being the Financial Advisor to Launch Tech Company Ltd in respect of transferring its listing from The GEM to the Main Board of The Stock Exchange of Hongkong Ltd;
4. In early April 2008, Launch Tech Company Ltd determined to cancel its listing plan and it and the Plaintiff mutually agreed to cancel the Agreement. Launch Tech Company Ltd allegedly agreed to pay the First Installment Fee with regard to the Agreement in the sum of \$HK400,000 as well as pay costs of \$HK42,237.18 for the period from November 7, 2007, to March 31, 2008. The Plaintiff allegedly issued the following invoices to Launch Tech Company Ltd on April 1, 2008, and April 7, 2008:

<u>Date</u>	<u>Invoices</u>	<u>Nature</u>	<u>Amount</u>
01.04.2008	800152	Costs as Sole Sponsor (First Installment)	\$HK400,000
07.04.2008	800155	Miscellaneous Cost (07/11/2007 to 31/03/2008)	\$HK42,237.18

5. After repeated demands, Launch Tech Company Ltd paid to the Plaintiff the sum of \$HK300,000 on August 7, 2008, and the balance of \$HK142,237.17 remains outstanding.

(* This is **TARGET**'s approximate translation)

The above may well be a simple dispute, but what may not be simple to fluff off are the numerous Legal Claims, filed against wholly owned subsidiaries of Launch Tech Company Ltd since the beginning of this year.

According to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), the following are the Legal Cases, filed in the Shanghai Jiajin People's Courts of the PRC.

Launch Shanghai Machinery Equipment Company Ltd () is the Defendant in all of the cases, listed below:

Case Number	Hearing Date	Plaintiff	Defendant	Nature Of
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				Claim
(2009)()2814	13/07/2009			
(2009)()2816	13/07/2009			
(2008)()2309	05/01/2009			

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