

HOW MANY RED FACES ARE THERE IN EXCHANGE SQUARE ?
(Restaurant Chain Facing Hard Times)

Evidence has emerged that indicates, conclusively, that a fairly large restaurant chain could well be in serious financial trouble.

The restaurant chain, comprising 5 outlets in all, is located in Exchange Square, the showcase financial complex of The Hongkong Land Company Ltd, part of the Jardine Matheson Group of Companies.

The restaurants, operated by the Hongkong company, Concord Star Enterprises Ltd, is located at Shops 103, 208-210, 311-312 and 313.

They are known by the following names:

Net Seafood Bar
Cigar House
Cre-Asian Restaurant
Exchange Bar
Exchange Restaurant

Recently, The Pacific Cigar Company Ltd issued legal proceedings against Concord Star, alleging that it had not paid for cigars, sold and delivered to Concord Star, between September 2000 and March 2001.

The amount of money, alleged to be owed by Concord Star to The Pacific Cigar Company, aggregates \$HK95,456.25.

Totally, The Pacific Cigar Company claims that it made 12 deliveries to Concord Star but despite *'repeated requests and demands, the Defendant has failed and/or refused to pay the sum of HK\$95,456.25 or any part thereof in settlement ...'*

The Pacific Cigar Company alleges that it sent a letter to Concord Star, via its solicitors, on April 26, 2001, demanding repayment *'but the Defendant has failed and/or refused to pay the said sum demanded or any part thereof. Those invoices remain outstanding and unpaid.'*

The allegations, made by The Pacific Cigar Company, followed a letter, written on behalf of The Hongkong Land Property Company Ltd, the landlord of the premises, by its solicitors, Johnson Stokes and Master.

This letter alleged that *'you (Concord Star) have failed to pay the rent and other charges for the month of February 2001 to March 2001 inclusive and the turnover rent up to 31st December 2000 ...'*

The amount of money, claimed by The Hongkong Land Property Company, was \$HK511,642.72 and was in relation to rent, management charges and a \$HK1,000 legal costs *'in respect of this letter'*.

The letter, dated March 22, 2001, gave Concord Star up to March 29, 2001 to front up with the money or *'we (Johnson Stokes and Master) have instructions to immediately issue legal proceedings against you to recover the outstanding sum.'*

The letter ends with the sentences:

'We are further instructed that in breach of the tenancy agreements, you have failed to provide our client certified Statements of Account showing the Gross Turnover and Net Turnover for the

months of January and February 2001 nor pay our client any amount by which the Turnover Rent exceeds the Base Rent for the said two months. You are hereby demanded to provide such certified Statements of Account and make the said payment to our client within 7 days from the date hereof.

'All our client's rights are hereby expressly reserved.'

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), restaurants come and go since the industry is highly competitive.

But, in the case of Concord Star, some very prominent business people got behind the driving force of the holding company, Mr Johnny Chan Yick Man.

Some of these HKSAR leading lights in the field of business and finance, who backed the restaurant complex idea, included:

Mr Peter Churchouse Ltd, Managing Director	Morgan Stanley Asia
Mr Michael E. Fung Ltd, Head of Private Banking	Morgan Stanley Asia
Mr Peter Amandini Managing Director	UBS Warburg,
Mr Jim Baird Solicitors, Partner ...	Clifford Chance,
CLICK TO ORDER FULL ARTICLE	

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.