## ARE THINGS A BIT FLABBY AT BODY BY DEBORAH INTERNATIONAL HEALTH AND BEAUTY SPA?

Body by Deborah International Health and Beauty Spa, the holding company of which is Bestfit Investment Ltd, has not paid rent and other charges on its Causeway Bay rented property since September 2001.

Its corporate landlord, Deluxe Plan Enterprises Ltd, wants its money, about \$HK4.50 million, and the entire Body by Deborah International Health and Beauty Spa, kit and caboodle, out, as quickly as possible.

Deluxe Plan Enterprises has sued Bestfit in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), laying out its complaints against the tenant.

High Court Action Number 352 is explicit in its Statement of Claim, attached to the Writ of Summons.

The Statement of Claim alleges that Bestfit entered into a lease with World Trade Tower Ltd on April 24, 1999 to rent the entire 5<sup>th</sup> floor and 6<sup>th</sup> floor of The World Trade Centre, located at Number 280, Gloucester Road, Causeway Bay, Hongkong. (Paragraph One of the Statement of Claim)

The lease was to be for the 5-year period, from December 1, 1998 until June 30, 2004, and the monthly rental was set at \$HK417,579, exclusive of rates, air-conditioning and management charges. (Paragraph One)

Paragraph 2 of the Statement of Claim alleges that there was an equitable assignment, entered into between World Trade Tower and Deluxe Plan Enterprises Ltd, executed on April 4, 2001, whereby Deluxe Plan Enterprises acquired complete control of The World Trade Centre, complete with the benefit of existing lettings, tenancies and licences.

The lease between the landlord and Bestfit stated that Bestfit agreed to pay rent, air-conditioning and management charges, as well as discharge all HKSAR Government rates in respect of the premises, during the term of the lease.

The lease, also, states that should the tenant be in default of payment by 15 days from the date that the monthly rent is due, interest at the rate of 1.25 percent per month shall be charged.

Paragraph 7 states: 'In wrongful breach of the Lease, the Defendant (Bestfit) has since September 2001 failed and/or refused to pay rent, air-conditioning and management charges, and Government rates in respect of the Premises to the Plaintiff.'

Evidently, a letter was sent to Bestfit on January 7, 2002, but it failed to result in Deluxe Plan Enterprises, being paid that money which is due to it, it is alleged at Paragraph 8.

The Particulars of Arrears are stated at Paragraph 9 as follows:

Arrears of rent for the period from 1 <sup>st</sup> September 2001 to 31 <sup>st</sup> January 2002 at \$HK417, 579 per month	\$HK2,087,895
Arrears of air-conditioning and management charges from 1 <sup>st</sup> September 2001 to 31 <sup>st</sup> December 2002 at \$HK127,700 per month	\$HK510,800
Arrears of air-conditioning and management charges from 1 <sup>st</sup> January 2002 to 31 <sup>st</sup> January 2002 at \$HK121,315 per month	\$HK121,315

Arrears of additional air-conditioning charges from 1 <sup>st</sup> September 2001 to 31 <sup>st</sup> January 2002 at \$HK33,800 per month	\$HK169,000
Balance of additional air-conditioning charges from 1 <sup>st</sup> August 2001 to 31 <sup>st</sup> August 2001	\$HK800
Arrears of Government rates from 1 <sup>st</sup> October 2001 to 31 <sup>st</sup> December 2001	\$HK62,400
Arrears of Government rates from 1 <sup>st</sup> January 2002 to 31 <sup>st</sup> March 2002	\$HK58,400
TOTAL	\$HK3,010,610

Adding up all the claims by Deluxe Plan Enterprises – interest, mesne profits, air-conditioning and management charges ... (For more about this breaking story, please see last Wednesday's report, <u>TARGET Intelligence Report</u>, <u>Volume IV, Number 21</u>) ... <u>CLICK TO ORDER FULL ARTICLE</u>

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