

**NEW CENTURY GROUP HONGKONG LTD :
WHO WILL PULL THE 'FAT' OUT OF THIS FIRE ?**

The Chairman of publicly listed New Century Group Hongkong Ltd (Code: 234, Main Board, The Stock Exchange of Hongkong Ltd), Mr Li Chi Sing, has been taken to task by a money lender, which is seeking more than \$HK42 million from the businessman.

Sunford Finance (Hongkong) Ltd has sued Mr Li Chi Sing in respect of a purported July 1997 credit facility, amounting to \$HK43.50 million.

According to High Court Action Number 1495, the moneys were advanced to 2 companies, both under the control of Mr Li Chi Sing, and both of which are British Virgin Islands companies: Scholar Time Ltd and Sino Success Finance Ltd.

Scholar Time, according to **TOLFIN (TARGET's Computerised Online Financial Service)** owned 4.92 percent of New Century Group, as at July 27, 2001.

Getting back to the claims of Sunford Finance, Paragraph 3 of the Statement of Claim, attached to the Writ of Summons, states that the security of the loan was:

- a. *'a share mortgage in respect of not less than 267,000,000 shares in the issued share capital of Chesterfield Limited ("the Company") ... ' – which was the old name of New Century Group;*
- b. *'a share mortgage in respect of the 95,238,000 shares in the issued share capital of the Company ... ';*
- c. *'two respective debentures (collectively "the Debentures") incorporating a floating charge over all the undertaking property and assets of each of Scholar and Sino ... ';* and,
- d. *'a personal guarantee (the "Guarantee") to be executed by the Defendant (Mr Li Chi Sing) in favour of the Plaintiff (Sunford Finance) in form and substance in all respects satisfactory to the Plaintiff.'*

Paragraph 4 states that the interest on the loan would be at the rate of 5 percent *'above prime rate per annum specified by The Hongkong and Shanghai Banking Corporation Limited from time to time.'*

Paragraph 17 of the Statement of Claim goes on to allege that, on July 22, 1997, Sunford Finance entered into another agreement with another British Virgin Islands company, Solar Resources Ltd.

In that agreement, Sunford Finance agreed to lend \$HK8.50 million to Solar.

The security for this loan was:

- a. *'a debenture (the "Debenture") incorporating a floating charge over all the undertaking property and assets of Solar to be executed by Solar in form and substance in all respects satisfactory to the Plaintiff; and*
- b. *a personal guarantee to be executed by the Defendant in favour of the Plaintiff in form and substance in all respects satisfactory to the Plaintiff.'*

The interest of this loan was the same as the first loan: Five percent higher than the Prime Rate, as specified by The Hongkong and Shanghai Banking Corporation Ltd.

As at October 1, 1998, it is alleged that Scholar and Sino were in debt to Sunford Finance to the tune of \$HK55,525,057.22, while Solar owed the finance company \$HK10,678,483.81 ... [CLICK TO ORDER FULL ARTICLE](#)

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