

**CHINA LOGISTICS GROUP LTD :
IS THIS COMPANY GOING TO END UP ON THE SCRAP HEAP ?**

Whether or not publicly listed China Logistics Group Ltd (Code: 217, Main Board, The Stock Exchange of Hongkong Ltd) will survive this summer is going to be one of the biggest challenges to Management.

The Hongkong and Shanghai Banking Corporation Ltd has withdrawn all credit facilities from the Company, according to TARGET's information.

In addition, numerous creditors have laid claims, amounting to about \$HK5 million, against the Company and/or its subsidiaries over the past few months.

And the claims continue to flow in.

The latest claims have come from the private limited liability company, Famous East Hong Kong Ltd, and a Mr Lo Chu Kong, its beneficial owner.

Famous East Hong Kong Ltd and Mr Lo, together, are seeking the best part of \$HK2 million for loans, allegedly extended to the holding company and the following wholly owned subsidiaries:

Galactic Investment Ltd
Ocean-Land Sports (Hongkong) Ltd
Ocean-Land Sports (Holdings) Ltd

All of the Statements of Claim, in respect of the allegations, follow a similar format in that it is alleged that loans were extended between October 2001 and December 2001 and that the loans had not been repaid, or not repaid in full.

In respect of the allegations, made by Mr Lo Chu Kong, it is claimed that he made the sum of \$HK400,000 available to Hong Kong Car Park Ltd, a wholly owned subsidiary of China Logistics, and Evolve Ltd, another wholly owned subsidiary of China Logistics, with \$HK160,000, going to Hong Kong Car Park, and \$HK240,000, being credited to the account of Evolve Ltd.

All this is alleged to have taken place in October 2001.

China Logistics, which is alleged to have requested the loans in the first instance, has never repaid a penny of the loans, according to Mr Lo.

Since the alleged loans of Famous East Hong Kong Ltd/Mr Lo Chu Kong were negotiated, various China Logistics Group companies have found themselves at the end of claims, lodged in the Courts of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Perhaps the most telling of these claims came from Li and Partners, the Company's (former?) solicitors' firm, which lodged its claim against the parent company in an attempt to recover its costs and disbursements, amounting to some \$HK365,713.

According to **TOLFIN** (TARGET's Computerised Online Financial Service), the aggregate amount of money, claimed against China Logistics, et alii, but not including the amounts that are being claimed by Famous East Hong Kong Ltd/Mr Lo Chu Kong, add up to about \$HK3 million.

Getting back to The Hongkong and Shanghai Banking Corporation Ltd, it wrote to ... [CLICK TO ORDER FULL ARTICLE](#)

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