

OH! THE JOYS OF BEING THE CHAIRMAN OF A PUBLIC COMPANY !

Being in the hot seat of a publicly listed company is not all beer and skittles, as Thomas Hughes, the English author of Tom Browne's Schooldays, once wrote – and Mr Michael Huang Jin Can is one former chairman of a publicly listed company, who would, gladly, attest to that as being absolute fact.

Because Mr Michael Huang Jin Can has just been sued for close to \$HK380 million.

According to High Court Action Number 2268, Mr Michael Huang Jin Can, who resides in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), was the guarantor of Englong International Ltd, a company which was listed on the Main Board of The Stock Exchange of Hongkong Ltd before it was put into Voluntary Liquidation in August 2000.

Now, 30 months after the historic event of putting the property developer and manufacturer of knitwear into Receivership, China Merchants Bank, of the PRC, proper, has sued Mr Michael Huang Jin Can for a term loan that it afforded to Englong on January 30, 1996, a facility that was, purportedly, to have been guaranteed by Englong's former Chairman.

The Statement of Claim, attached to the Writ of Summons, alleges that Englong drew down the money from the PRC bank, but *'has failed and/or defaulted in making repayment of the outstanding sums under the Loan Agreement as and when the same fell due.'* (Paragraph 6 of the Statement of Claim)

Paragraph 8 of the Statement of Claim makes the statement that the bank obtained an Order from the High Court of the HKSAR on December 17, 2001.

That Order provided, inter alia, that China Merchants Bank *'did recover against the Borrower (Englong) for the sum of HK\$208,000,000.00 being principal and HK\$155,971,226.32 being interest outstanding as at 5th December 2001 together with further interest on the principal sum of HK\$208,000,000.00 and accrued interest of HK\$118,120,058.32 at the rate of 5% per annum over the Hong Kong Interbank Offered Rate ("HIBOR") from 6th December 2001 to 17th December 2001 and thereafter at the judgment rate until the date of actual payment in full.'*

Paragraph 9 of the Statement of Claim continues:

'The outstanding indebtedness due and payable by the Borrower to the Plaintiff, as of 15th May 2002 was HK\$376,225,052.07, particular of which are as follows:

Particulars of Indebtedness As of 15th May 2002

<i>Nature</i>	<i>Principal</i>	<i>Interest Accrued</i>	<i>Total</i>
<i>Term Loan</i>	<i>HK\$208,000,000.00</i>	<i>HK\$168,225,052.07</i>	<i>HK\$376,225,052.07</i>
		<u><i>Total:</i></u>	HK\$376,225,052.07

'Further interest shall accrue from 16th May 2002, on the sum of HK\$326,120,058.32 at the judgment rate until repayment in full pursuant to the Order of High Court of Hong Kong dated 17th December 2001 pleaded in paragraph 8 above.'

Paragraph 10 of the Statement of Claim attests as to the purported guarantee of the Chairman, Mr Michael Huang Jin Can, and the fact that he *'is also liable to pay to the Plaintiff the said outstanding sum of HK\$376,225,052.07 together with further interest thereon.'*

The bank alleges that ... [CLICK TO ORDER FULL ARTICLE](#)

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