

**PACIFIC CONCORD HOLDINGS LTD
PRC GOVERNMENT ENTITY DEMANDS :
PAY US \$HK23 MILLION, CHAIRMAN WONG SAI CHUNG**

An 'organ' of the Government of the People's Republic of China (PRC) has taken exception to the alleged non-payment of a debt of a company, publicly listed and domiciled in the Hongkong Special Administrative Region (HKSAR) of the PRC.

And the PRC Government-controlled entity has taken the matter to the High Court of the HKSAR for adjudication.

The PRC company is the mighty China Resources Petroleum Company Ltd, which has sued Pacific Concord Holdings Ltd (Code: 438, Main Board, The Stock Exchange of Hongkong Ltd) for about \$HK23 million.

According to High Court Action Number 3438, Concord Oil (Hongkong) Ltd, a wholly owned subsidiary of Pacific Concord Holdings Ltd, entered into a Petroleum Products Supply Agreement with China Resources Petroleum on September 1, 1998 for the purchase of Gasoil 0.5S% and Kerosene.

The Chairman of Pacific Concord Holdings, Mr Wong Sai Chung, is said to have been a guarantor of the contract, along with the publicly listed company, itself, Pacific Concord Holdings, which he happens to control.

This ancillary matter is spelled out in another HKSAR, High Court Writ, being Number 3437.

According to China Resources Petroleum, in the event that 'any sums (of money) due to the Plaintiff (China Resources Petroleum) are not paid by the Defendant [Concord Oil (Hongkong)] on or before the due date, such overdue payment shall bear interest from the due date on a day to day basis until full payment is made and at an annual rate of 2 % above the prime rate from time to time of the Hong Kong Association of Banks subject to a minimum of 12% per annum.' (Paragraph 4(f) of the Statement of Claim, attached to the Writ of Summons in High Court Action Number 3438)

Paragraph 8 of the Statement of Claim alleges that Concord Oil (Hongkong) 'has failed and/or refused to pay to the Plaintiff the following invoices duly rendered to the Defendant for the Petroleum Products supplied to the Defendant under the Supply Agreement and Supplemental Agreement for the respective outstanding sums of USD2,325,121.91 & USD558,920.63, particulars whereof together with interest accrued thereon pursuant to Clause 10.4 of the Supply Agreement are as follows : -

Particulars

<u>Invoice no.</u>	<u>Outstanding Amount</u> <u>(USD)</u>	<u>Interest accrued</u> <u>(USD) at</u> <u>12% p.a. up to</u> <u>31.8.2002</u>
OPI02/09033	2,325,121.91	25,550.54
OPI02/11057	558,920.63	5,775.51
<i>Total sum due as at 31.8.2002 : USD2,915,368.59'</i>		

China Resources Petroleum alleges that it sent 2 letters to Concord Oil (Hongkong), on May 6, 2002 and May 15, 2002, giving written notice of termination to Concord Oil (Hongkong) of the Supply Agreement and Supplemental Agreement.

Paragraph 11 of the Statement of Claim, then, states:

'By a letter dated 12th August 2002 addressed to the Defendant, the Plaintiff through its solicitors ... further demanded from the Defendant payment of all moneys then due and owing by the Defendant to the Plaintiff. Despite repeated requests and demands, the Defendant has failed to make due payment of the amounts then outstanding and owing by it to the Plaintiff.'

From Chairman Wong Sai Chung, China Resources Petroleum is seeking the full amount that is allegedly due from Concord Oil (Hongkong) and, from Pacific Concord Holdings Ltd, China Resources Petroleum is claiming the sum of \$US2.70 million, which is the full extent of its guarantee, given to China Resources Petroleum ...

It was only in July this year (Please see [TARGET Intelligence Report, Volume IV, Number 129](#)) that TARGET wrote that a wholly owned subsidiary of Cheung Kong (Holdings) Ltd (Code: 1, Main Board, The Stock Exchange of Hongkong Ltd) had sued the Wong Sai Chung Empire ... [CLICK TO ORDER FULL ARTICLE](#)

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