

OH, MR CHEERFUL: WHERE ARE YOU ?

The former Chairman of Cheerful (Holdings) Ltd, which is, now, known as Celestial Asia Securities Holdings Ltd (Code: 105, Main Board, The Stock Exchange of Hongkong Ltd), has been sued for about \$HK32 million.

He is Mr Chee Jin Yin, who is the Third Defendant in High Court Action Number 621.

Huaxin (Hongkong) Company Ltd has brought its Action against Cheerful Corporation and International Cheerful (Holdings) Ltd, the First Defendant and the Second Defendant, respectively, in respect of a purported December 1996, \$HK31-million loan agreement.

Initially, Huaxin (Hongkong) claims that it entered into a loan agreement with Cheerful Corporation, which was due for repayment within 6 months after the date of the cash advance.

The Second Defendant and Mr Chee Jin Yin were said to be Guarantors of the loan, made available to Cheerful Corporation.

The First and Second Defendants were never part of the publicly listed company despite the similarity of names.

Four days after the first loan agreement was signed, another loan agreement was entered into between Huaxin (Hongkong) and Cheerful Corporation.

This time, the amount of money to be extended to Cheerful Corporation was \$HK30 million, and it, too, would be repayable within 6 months of the money, being advanced.

Paragraphs 7 and 8 of the Statement of Claim, attached to the Writ of Summons, alleges:

‘7. As at 8th October 1998, the amount due and owing from the 1st Defendant to the Plaintiff under the 1st and 2nd Loan Agreement was in the sum of HK\$22,175,935.00 (“Outstanding Sum”). As evidenced partly in writing by a letter dated 8th October 1998 from the Plaintiff to the 2nd Defendant, it was agreed between the Plaintiff and the 1st Defendant that repayment of the Outstanding Sum be extended to 31st March 2000. Interest would accrue on the Outstanding Sum at the rate of prime rate plus 2.5% per annum from 8th October 1998 ...

‘8. The 1st Defendant failed or refused to pay the Outstanding Sum and interest thereon on the due date. By reason of the matters pleaded paragraphs 4 and 5 hereof, the 2nd and 3rd Defendant become liable to the Plaintiff to pay the same.’

With accrued interest of \$HK9,665,062.37 and the Outstanding Sum, amounting to \$HK22,175,935, Huaxin (Hongkong) Company Ltd is claiming a total of \$HK31,840,997.37.

Cheerful (Holdings) Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

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