

**RECRUIT HOLDINGS LTD:
THE FIGHT HAS ONLY JUST BEGUN, MR LAU**

An associated company of publicly listed Recruit Holdings Ltd (Code: 8073, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) has just been sued for about \$HK5,625,000.

The associated company is PPG Investments Ltd, which, according to the 2002 Annual Report of Recruit, was owned as to 20 percent by Recruit.

Pearl Link International Ltd and Polygold Commerce and Investment Ltd have jointly sued PPG Investments with regard to an alleged loan agreement, dated October 26, 2000.

The 2 Plaintiffs are both shareholders of PPG Investments, it is stated at Paragraph One of the Statement of Claim, attached to Writ of Summons, Number 3731, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), recently.

The Statement of Claim alleges that Pearl Link International is owed the sum of \$HK5,625,000, which is due and owing *'pursuant to a deed of assignment made on 26 October 2000 ... entered into between the 1st Plaintiff, the Defendant (PPG Investments) and Premier Printing Group Limited.'*

(According to TOLFIN [TARGET's Computerised Online Financial Intelligence Service and Credit-Checking Provider], Premier Printing Group Ltd is owned as to 50 percent by PPG Investments)

Evidently, the \$HK5,625,000-loan was classified as being *'the 1st Plaintiff Shareholder Loan'*. (Paragraph 5.a)

But, at Paragraph 6 of the Statement of Claim, it is alleged:

'Despite repeated requests and demands, in particular, by a letter dated 21 July 2003 from the 1st Plaintiff's solicitor, the Defendant has failed and/or refused to repay the said sum of HK\$5,625,000 to the 1st Plaintiff or any part thereof. The same remains due and owing by the Defendant to the 1st Plaintiff.'

The Second Plaintiff, Polygold Commerce, comes into the act, starting from Paragraph 7 of the Statement of Claim.

At Paragraph 7, it is alleged that there exists a Deed of Assignment, *'entered into between the 2nd Plaintiff, the Defendant and Premier Printing Group Limited.'*

Paragraph 8 of the Statement of Claim, then, picks up the action:

'By the 2nd Deed of Assignment, the 2nd Plaintiff assigned a loan in the aggregate amount of HK\$5,625,000 representing the principal owed to the 2nd Plaintiff by PPG (Premier Printing Group Ltd) (the "2nd Plaintiff Shareholder Loan") to the Defendant upon and subject to the terms and conditions of the 2nd Deed of Assignment.'

Paragraph 10 of the Statement of Claim repeats the allegations, contained in Paragraph 6, with just a few alterations.

In the 2002 Annual Report of Recruit, at Note 17, it is stated that '*Loans to an associate*' amounted to about \$HK16.02 million, as at December 31, 2002.

The Associate, listed at this Note, is PPG Investments Ltd, a British Virgin Islands company.

The Note, also, states:

'Loans to an associate are unsecured and interest free. In the opinion of the directors, no repayment will be demanded within the next twelve months. Accordingly the loans are classified as non-current asset.'

With regard to ... [CLICK TO ORDER FULL ARTICLE](#)

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