

**SANYUAN GROUP LTD:
CHAIRMAN WU KWAI YUNG IS SUED FOR \$HK72 MILLION**

The Chairman of publicly listed Sanyuan Group Ltd () (Code: 140, Main Board, The Stock Exchange of Hongkong Ltd) has just been sued for a little more than \$HK72 million.

He is Mr Wu Kwai Yung () (also known as Mr Hu Gui Rong), who is 56 years old, having joined Sanyuan Group Ltd in 2004.

Nanyang Commercial Bank Ltd (), the Plaintiff in High Court Action Number 89, has alleged that Mr Wu Kwai Yung and a close relative of his, Ms Wu Chan Sim (), are Guarantors in respect of an \$HK80-million, mortgage loan facility, granted to Welling Rich Ltd () on or about October 12, 2005.

It is alleged by Nanyang Commercial Bank that Welling Rich Ltd *'is and was at all material times a customer of the Plaintiff (Nanyang Commercial Bank) and has maintained one or various account(s) with the Plaintiff.'*

According to the database of **TOLFIN** () (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), Welling Rich Ltd, as at September 10, 2006, had offices in the Hip Kwan Commercial Building, Yaumatei, Kowloon.

This is a company with an Issued and Fully Paid-Up Share Capital of \$HK10,000.

Mr Wu Kwai Yung was a Director of this company until December 18, 2006, when he resigned his position.

Mr Wu Kwai Yung held 90 percent of the Issued and Fully Paid-Up Share Capital of the company until January 18, 2006, when he transferred the shares to Chinalight Worldwide Ltd of the British Virgin Islands.

Ms Wu Chau Sui, who has the same residential address as Mr Wu Kwai Yung, owned 10 percent of the Issued and Fully Paid-Up Share Capital of Welling Rich Ltd until January 18, 2006, when she transferred the shares to Bonusventure Ltd of the British Virgin Islands.

The address of the Wus, according to the records of **TOLFIN**, is:

House E,
Number 8, Stafford Road,
Kowloon Tong, Kowloon.

Nanyang Commercial Bank Ltd, in its Statement of Claim, attached to Writ of Summons, Number 89, alleges that, on October 14, 2005, the Wus signed Deeds of Guarantee in favour of the bank and, reliant upon those Deeds of Guarantee, the bank *'made advances and/or granted further general banking facilities to the Borrower (Welling Rich Ltd). The Borrower has utilized the said mortgage loan facility and thereafter became indebted to the Plaintiff.'*

Paragraphs 10 to 15 of the Statement of Claim, then, alleges:

- '10. As at 31 October 2006, the Borrower was and still indebted to the Plaintiff under the said mortgage loan facility a sum of HK\$69,851,151.28 together with further interest on the principal sum of HK\$69,342,734.50 at 16% per annum (i.e. HK\$30,396.82 per day) subject to fluctuation.*

- ‘11. By two demand letters to the Borrower on 2 and 7 November 2006 addressed and posted to the Borrower, the Plaintiff through its solicitors, Messrs. Gallant Y.T. Ho & Co., demanded payment by the Borrower of the total indebtedness then due and owing by the Borrower to the Plaintiff. Despite the Plaintiff’s demand as aforesaid, the Borrower has failed and still fails to repay the whole outstanding indebtedness due and owing to the Plaintiff.
- ‘12. By two letters both dated 2 November 2006 addressed and posted to the 1st and 2nd Defendants respectively, the Plaintiff through its solicitors, Messrs. Gallant Y. T. Ho & Co., demanded payment by the 1st and 2nd Defendants of the total indebtedness then due and owing by the Borrower to the Plaintiff and guaranteed by the 1st and 2nd Defendants.
- ‘13. Despite the Plaintiff’s demand as aforesaid, the 1st and 2nd Defendants have failed and still fail and/or refused to comply with the same.
- ‘14. As at 12 January 2007, the 1st and 2nd Defendants were and still are indebted to the Plaintiff in the sum of HK\$72,038,297.12 and valuation fees of HK\$6,000.00, making a total of HK\$72,044,297.12. Further interest payable by the 1st and 2nd Defendants has been accruing on the principal sum of HK\$69,342,734.50 at the rate of 15.75% per annum (i.e. HK\$29,921.86 per day) (subject to fluctuation) from 13 January 2007 until full payment.
- ‘15. The total amount due and owing from the 1st and 2nd Defendants to the Plaintiff under the Guarantee as pleaded above remains due and owing as at the date hereof.’

Nanyang Commercial Bank Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

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