

**SUNRISE (CHINA) TECHNOLOGY GROUP LTD:  
THE MOON, ALSO, RISES**

For the fourth time, this year, [Sunrise \(China\) Technology Group Ltd \(\)](#) (Code: 8226, The Growth Enterprise Market [The **GEM**] of The Stock Exchange of Hongkong Ltd) has been sued in the High Court of Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

But the principle difference between the latest Writ of Summons and the other three legal Actions, lodged against this publicly listed company, is that it is the Chairman of Sunrise (China), who is the First Defendant, and the publicly listed company is the Second Defendant.

It is alleged that Sunrise (China) is the Guarantor for the debts of the Chairman of Sunrise (China) in respect of a purported loan, afforded to him by the Plaintiff!

One might want to speculate:

*What right has the most-senior executive of a publicly listed company to cause the company to which he had a duty of fidelity to be responsible for his personal actions, financial or otherwise?*

**The Latest Legal Action**

Total Shares Ltd, the Plaintiff to High Court Action, Number 1346 or 2014, is suing the following two parties:

Mr Shan Xiao Chang ()  
Sunrise (China) Technology Group Ltd

First Defendant  
Second Defendant

(The Writ of Summons does not present the First Defendant by his anglicised name, but only prints the three Chinese characters: .)

According to the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, Total Shares Ltd is not a limited liability company, domiciled in the HKSAR.

The General Indorsement of Claim, attached to Writ of Summons, Number 1346, alleges the following:

*‘THE PLAINTIFF’S CLAIM AGAINST THE 1<sup>ST</sup> AND 2<sup>ND</sup> DEFENDANTS IS FOR:*

- ‘1. HK\$10,000,000 being the loan advanced by the Plaintiff to the 1<sup>st</sup> Defendant pursuant to a Loan Agreement dated 9<sup>th</sup> August 2013 made between the Plaintiff as lender and the 1<sup>st</sup> Defendant as borrower (the “**Loan Agreement**”), the repayment of which is guaranteed by the 2<sup>nd</sup> Defendant as the Guarantor by a Guarantee signed by the 2<sup>nd</sup> Defendant in favour of the Plaintiff dated 9<sup>th</sup> August 2013 (“the **Guarantee**”);*
- ‘2. HK\$3,163,050 being the accrued unpaid interest as at 8<sup>th</sup> July 2014 pursuant to the Loan Agreement, the repayment of which is guaranteed by the 2<sup>nd</sup> Defendant as the Guarantor by the Guarantee;*

- '3. *Interest on HK\$10,000,000 at the rate of 54% per annum from 9<sup>th</sup> July 2014 to the date of the issuance of the Writ herein;*
- '4. *Interest on HK\$10,000,000 from the date of the issuance of the Writ herein to the date of actual payment in full at such rates and for such periods as this Honourable Court shall think fit pursuant to sections 48 and 49 of the High Court Ordinance;*
- '5. *Further and/or other relief;*
- '6. *Such other directions and terms as this Honourable Court may deem fit; and*
- '7. *Costs of this Action.'*

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