

**HARMONIC STRAIT FINANCIAL HOLDINGS LTD:
THE EXECUTIVE CHAIRMAN'S COMPANY IS SUED**

A company, wholly owned by the Executive Chairman of Harmonic Strait Financial Holdings Ltd () (Code: 33, Main Board, The Stock Exchange of Hongkong Ltd), has been sued in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for about \$HK14.12 million.

Central Capital Management Ltd is the Plaintiff in HKSAR, High Court Action, Number 1497 of 2014, the lone Defendant, being Market Speed Ltd.

Central Capital Management is a money lender, registered in the HKSAR, and Market Speed Ltd is wholly owned by Mr [Tong Nai Kan \(\)](#), the Executive Chairman of Harmonic Strait Financial.

The Indorsement of Claim, attached to Writ of Summons, Number 1497, states only:

1. *'Pursuant to the Facility Agreement dated 20 June 2013, the outstanding principal of the loan of HK\$10,000,000.00 and outstanding interest of HK\$4,018,290.84 and further monthly interest payments accruing at contractual interest rate of 36% per annum on the loan from 20 June 2013 until payment or alternatively, interest pursuant to Sections 48 and 49 of the High Court Ordinance (Cap. 4) or at such rate and for such period as this Honourable Court may think fit. At the time of the making of the loan or contract or the giving of the security in question, the Plaintiff was licensed as a money lender;*
2. *Costs; and*
3. *Further and/or any other relief.'*

Harmonic Strait Financial is a company, engaged in making investments, providing credit guarantees, and financial planning services in the PRC, in the main.

Market Speed, as at May 5, 2014, was deemed to own approximately 10.10 percent of the Issued and Fully Paid-Up Share Capital of Harmonic Strait Financial, but that equity holding was watered down to about 7.55 percent by August 4, 2014, following the completion of the subscription of 357 million, New Shares in the Issued Share Capital of Harmonic Strait Financial by two new, independent investors, namely:

Main Powerful Ltd; and,
Sharp Right Corporation Ltd ().

The sales of the New Shares netted Harmonic Strait Financial about \$HK32.90 million, that amount of money to be used as Working Capital for the company.

On March 14, 2014, Harmonic Strait Financial put its investors and potential investors on notice that, in respect of the 2013 Financial Year, ended December 31, *'the loss of the Group for the year ended 31 December 2013 is expected to decrease substantially as compared with that of 2012 ...'*.

Fourteen days later, on March 28, the company announced the following:

	Financial Year, Ended December 31		Percentage Increase/(Decrease)
	2013	2012	
	All Figures Are Denominated In \$HK'000		
Turnover	173,994	270,296	(35.63)
Gross Profit	33,311	110,405	(69.83)
Profit/(Loss) From Operations	(23,685)	58,156	(140.73)
Profit/(Loss) Before Gain On Disposal Of A Subsidiary, Impairment And Taxation	(72,302)	37,428	(293.18)
Total Comprehensive Loss Attributable To Shareholders	(95,632)	(2,976,367)	96.78
Shareholders' Funds	(15,773)	80,207	(119.67)

In **TARGET** Intelligence Report, Volume XV, Number 93, published on May 22, 2013, this medium, exclusively, reported that Mr Tong Nai Kan had been sued for a little less than \$HK18 million.

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