

ERNEST BOREL HOLDINGS LTD:
NOW, HERE IS A CONUNDRUM ON WHICH TO CHEW

Without a definitive explanation from the company, it is difficult, if not impossible, to know with any certainty as to what is, really, happening, but it does appear, prima facie, that something is terribly amiss at Ernest Borel Holdings Ltd () (Code: 1856, The Main Board, The Stock Exchange of Hongkong Ltd).

On Friday (October 6, 2017), an Action was filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), naming, as the sole Defendant, Ernest Borel (Far East) Company Ltd ([]).

The Plaintiff to this Action, , is a China corporation whose address was given in Writ of Summons, Number 2299 of 2017, as being:

Room 4012, Laihe Plaza,
Junction of Caitan Road and Binhe Avenue,
Futian District,
Shenzhen,
The People's Republic of China
A4012

Ernest Borel (Far East) Company Ltd is a wholly owned subsidiary of Ernest Borel Holdings Ltd.

The Statement of Claim, attached to Writ of Summons, Number 2299, alleges, at Paragraph Two, that the

Plaintiff ‘entered into an Agreement in Chinese, dated 12 July, 2012, with one () (Shanghai Sanlian Group Co. Limited (“SSGL”) for, inter alia, the occupation of shop premises (sic) situated at Basement Floor, 61 Nanjing Road, Shanghai, PRC (6) as Ernest Borel’s Shanghai Offshore Consignment Store () and the sharing of sales proceeds from 28 July 2012 to 31 August 2015 at the terms and conditions stated therein (“the 1st Agreement”).’

The Statement of Claim, then, goes on to outline the terse complaints of the Plaintiff from Paragraph Three through to Paragraph 11:

- ‘3. As evidenced and/or contained in an agreement in Chinese entered by the Plaintiff and the Defendant dated 1 August 2012, the Plaintiff and the Defendant agreed, inter alia, the monthly occupation fee of the Store stated in the 1st Agreement should be borne by the Plaintiff and the Defendant in the proportion of 20% and 80%.
- ‘4. The 1st Agreement was duly completed on 31 August 2015. During the course of performing the 1st Agreement by the Plaintiff in respect of monthly payment of occupation fee of the Store, the Defendant reimbursed the Plaintiff its 80% shares until expiry of the 1st Agreement.
- ‘5. (i) Upon expiry of the 1st Agreement, another agreement of similar terms and condition to that of the 1st Agreement, was entered by the SSGL and the Plaintiff on or about 20 July 2015 for the period from 1 September 2015 to 31 August 2017 (“the 2nd Agreement”).

(ii) The monthly occupation fee of the Store payable to the SSGL under the 2nd Agreement was RMB¥308,333.00.
- ‘6. As evidenced and/or contained in an agreement in Chinese entered by the Plaintiff and the Defendant dated 21 July 2015, the parties agreed, inter alia, the monthly occupation fee of the Store stated in the 2nd Agreement should be borne by the Defendant and the Plaintiff in the proportion of 80% (i.e. RMB¥246,666.40) and 20% (i.e. RMB¥61,666.60) (“the Co-operation Agreement”).
- ‘7. The Plaintiff duly performed all the terms and conditions under the 2nd Agreement.
- ‘8. In breach of the Co-operation Agreement, the Defendant failed or wrongfully refused to pay and/or reimbursed the Plaintiff’s shares of monthly occupation fee of RMB¥246,666.40 since and including the month of February 2017 until August 2017 totalling RMB¥1,726,664.80.
- ‘9. Despite of repeated requests and demands by the Plaintiff including a letter dated 8 September 2017 from the Plaintiff’s legal advisor, Lennon & Lawyers to the Defendant, the Defendant still failed and/or wrongfully refused to pay the said sum of RMB¥1,726,664.80 or any part thereof.
- ‘10. In the premises, the Plaintiff is entitled to and the Defendant is liable to pay, the sum of RMB¥1,726,664.80.
- ‘11. Further, the Plaintiff is entitled to and hereby claims interest pursuant to sections 48 and 49 of the High Court Ordinance (Cap.4) at such rate and for such period as this Honourable Court deems fit.’

The ... [CLICK TO ORDER FULL ARTICLE](#)

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