

**FUGUINIAO COMPANY LTD:**  
**AND THE WRITS CONTINUE TO FLY**

If senior management of Fuguiniao Company Ltd () (Code: 1819, Main Board, The Stock Exchange of Hongkong Ltd) is feeling more than a little claustrophobic, these days, it is understandable because, *inter alia*, mene, mene, tekell, upharsin (God has doomed The Kingdom of Belshazzar) – and the walls are closing in on the Company.

On Monday, October 9, 2017, Key Step Ventures Ltd (), the Plaintiff, lodged a Writ of Summons in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), naming the following as the three Defendants:

Fuguiniao Group Ltd

First Defendant

Mr Lam Wo Ping ()

Second Defendant

Mr Lam Wo Sze ()

Third Defendant

The Second and Third Defendants are brothers, with Mr Lam Wo Ping, being the Chairman of Fuguiniao Company Ltd, and Mr Lam Wo Sze, being an Executive Director of the Company.

The First Defendant is owned as to 100 percent of the Issued and Fully Paid-Up Share Capital by members of the Lam Family, of which Mr Lam Wo Ping could well be described as the constructive '*paterfamilias*'.

The First Defendant is the holding company of Fuguiniao Company Ltd.

The Plaintiff is an investor in Fuguiniao Company Ltd, owning, beneficially, 15.89 percent of the entire Issued and Fully Paid-Up Share Capital, as at September 30, 2017, according to the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider.

The address of the Plaintiff is given in the Writ of Summons as being:

49<sup>th</sup> Floor, One Exchange Square,  
Number 8, Connaught Place,  
Central,  
Hongkong Island.

Fuguiniao Group Ltd, the First Defendant, beneficially owned, as at December 31, 2015, about 68.88 percent of the entire Issued and Fully Paid-Up Share Capital of Fuguiniao Company Ltd, that is the ‘H’ Shares, listed on The Stock Exchange of Hongkong Ltd, and the Domestic Shares in the PRC, proper, being separate and distinct from the HKSAR of the PRC, according to **TOLFIN**’s database.

Due to the fact that trading in the shares of Fuguiniao Company Ltd has been suspended since September 1, 2016, it is difficult to know, with any absolute certainty, as to what has been happening in the Company; and, investors are still awaiting the publication of the Interim Results as well as information about the Company in respect of the First Half of the 2016 Financial Year, ended June 30, 2016.

The Endorsement of Claim, attached to Writ of Summons, Number 2327, states only:

- ‘1. *The Plaintiff has entered into a credit facility agreement with the 1<sup>st</sup> Defendant on 3<sup>rd</sup> July 2015 (“the Facility Agreement”) in relation to a credit facility in the amount of HK\$150,000,000.00 (“the Loan”).*
- ‘2. *In order to obtain the Loan, the 2<sup>nd</sup> and 3<sup>rd</sup> Defendant each agreed to and granted a guarantee in favour of the Plaintiff on 3<sup>rd</sup> July 2015 to guarantee the punctual performance by the 1<sup>st</sup> Defendant of its obligation under the Facility Agreement (“the Guarantee”).*
- ‘3. *Subsequently, several supplemental agreements and confirmatory deeds were signed in order to vary the terms of the Facility Agreement and the validity of the Guarantee, including but not limited to the increase in the amount of the Loan to HK\$254,695,104.52, the extension of the Repayment date of the Loan and interest, etc. (hereinafter collectively called “the Supplemental Agreements”)*
- ‘4. *Pursuant to the Facility Agreement and the Supplemental Agreements, the 1<sup>st</sup> Defendant has failed and/or refused to repay the Loan in the sum of*

*HK\$254,695,104.52 together with interest at the contractual rate of 59% per annum in the sum of HK\$116,895,576.56 calculated as of 9<sup>th</sup> October 2017. Accordingly, the total outstanding sum as of 9<sup>th</sup> October 2017 is HK\$371,590,681.08.'*

Key Step Ventures ... [CLICK TO ORDER FULL ARTICLE](#)

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