

SMI HOLDINGS GROUP LTD:**THIS COMPANY SEEKS TO RECOVER \$HK343 MILLION****Two Public Companies Are, Today, In Its Cross Hairs**

Management of SMI Holdings Group Ltd () (Code: 198, Main Board, The Stock Exchange of Hongkong Ltd) is hot to trot to call in some of its material loans to third parties and, with this in mind, it has lodged two Writs of Summons in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in an effort to obtain the best part of \$HK343 million.

In SMI's cross hairs are:

- Master Glory Group Management Ltd (), a wholly owned subsidiary of Master Glory Group Ltd () (Code: 275, Main Board, The Stock Exchange of Hongkong Ltd); and,
- Larry Jewelry International Company Ltd () (Code: 8351, the Growth Enterprise Market [the GEM], The Stock Exchange of Hongkong Ltd).

From Master Glory Group Management Ltd, SMI is seeking the sum of \$HK250,367,123.29 plus interest on the sum of \$HK200 million at the rate of eight percent per annum from December 1, 2018.

From Larry Jewelry International Company Ltd, SMI is seeking the sum of \$HK91,590,410.96 plus interest on that sum of money at the rate of 0.05 percent per day from August 29, 2018, until the date of payment.

High Court Action, Number 20 of 2019:

SMI Holdings Group Ltd versus Master Glory Group Management Ltd

In the Statement of Claim, attached to Writ of Summons, Number 20 of 2019, the Plaintiff, SMI Holdings Group Ltd, alleges that there was a loan agreement, dated July 6, 2018, ‘*entered into between the Plaintiff as the lender and the Defendant – Master Glory Group Management Ltd – as borrower (“Loan Agreement”), the Plaintiff lent a sum of HK\$200,000,000 (“Loan”) to the Defendant.*’ (Paragraph Three)

Paragraphs Four to Eight of the Statement of Claim continue by alleging:

‘4 *The Loan Agreement contains, inter alia, the following provisions:*

‘(a) *By Clause 2.1, interest on the Loan shall be 8% per annum (“Interest”). By Clause 2.2, all interest payable by the Borrower under the Loan Agreement shall be accrued from day to day and be calculated on the basis of a year of 365 days and the actual number of days elapsed.*

‘(b) *By Clause 3.1, the Loan and/or interest thereon shall be repaid by the Borrower to the Lender on or before 31 July 2015.*

‘5. *The Loan and Interest under the Loan Agreement was due for repayment on 31 July 2015.*

‘6. *Despite repeated requests and demands by the Plaintiff including by a letter dated 22 August 2018 from the Plaintiff’s solicitors, Messrs. Loong & Yeung to the Defendant, the Defendant has in breach of the Loan Agreement failed and still fails to pay the principal of Loan in the sum of HK\$200,000,000 together with interest under the Loan Agreement or any part thereof.*

‘7. *The amounts of the principal of the Loan and Interest owing under the Loan Agreement as at the 30 November 2018 is in the total sum of HK\$ 250,367,123.29, particulars of which are as follows:*

Particulars

<i>Principal:</i>	<i>HK\$200,000,000</i>
<i>Interest:</i> <i>at the rate of 8% per annum</i> <i>from 6 July 2015 to 30</i> <i>November 2018</i>	<i>HK\$50,367,123.29</i>
<i>Total:</i>	<i>HK\$250,367,123.29</i>

'8. *The Plaintiff claims interest under Clause 2 of the Loan Agreement. Alternatively, the Plaintiff claims interest by virtue of Section 48 and 49 of the High Court Ordinance, Cap.4.*

'AND THE PLAINTIFF CLAIMS:

'(a) *the sum of HK\$250,367,123.29;*

'(b) *interest on the sum of HK200,000,000 (being the principal amount of the Loan) at the rate of 8% per annum from 1st December 2018 until payment;*

'(c) *Alternative to (b), interest on the sum of HK200,000,000 (being the principal amount of the loan) at such rate and for such period as the Court may deem fit;*

'(d) *Cost; and*

'(e) *further or other relief.'*

High Court Action, Number 47 of 2019

Hongkong Housing Society versus Master Glory Group Management Ltd

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