

TARGET

Intelligence Report

VOLUME XXI No. 208

T U E S D A Y

September 24, 2019

**HUABANG FINANCIAL HOLDINGS LTD:
THE CHAIRMAN STANDS ACCUSED OF
NON-PERFORMANCE OF A PURPORTED AGREEMENT**

Mr George Lu (), the Chairman of Huabang Financial Holdings Ltd () (Code: 3638, Main Board, The Stock Exchange of Hongkong Ltd) has been named as the Sole Defendant in Action Number 1549 of 2019, lodged in the High Court of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

The Plaintiff to this Action is Silver Success Development Ltd (), a company whose Registered Office in the HKSAR is said to be:

Room 803, Lippo Sun Plaza,
Number 28, Canton Road,
Tsim Sha Tsui,
Kowloon,
The HKSAR.

The Indorsement of Claim, attached to Writ of Summons, Number 1549 of 2019, makes the following claims against Mr George Lu:

- ‘(1) *An order that the Defendant do specifically perform the Agreement entered into between the Plaintiff and the Defendant on or around 14 July 2018 at a meeting attended by Tu Yen-Chang (sole director of the Plaintiff) and the Defendant, which is evidenced by a letter signed by both parties on or around 20 July 2018, by purchasing, repurchasing or causing to be purchased/repurchased the shares of Huabang Financial Holdings Limited (a company incorporated in the Cayman Islands and listed on the Hong Kong Stock Exchange (stock code: 3638)) held by the Plaintiff at HK\$0.5 per share, plus interest at a daily rate of 0.1% (or such other interest rate as the Court may determine) from 4 August 2019 until full payment;*
- ‘(2) *Further or in the alternative, damages in lieu of or in addition to the specific performance;*
- ‘(3) *Interest pursuant to section 48 of the High Court Ordinance (Cap. 4);*
- ‘(4) *Costs; and*
- ‘(5) *Further and/or other relief that the Court may think fit.’*

There appears to have been no mention of purported agreement between the Plaintiff and the Defendant in the published announcements of Huabang Financial Holdings Ltd, going back to March 2018.

On July 31, 2018 – about 11 days, following the Plaintiff and the Defendant, allegedly having put their respective signatures to a purported agreement – Huabang Financial Holdings Ltd informed shareholders of the ‘**COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE.**’

The following are some of the salient points of that July 31, 2018 Announcement:

*‘The Board is pleased to announce that all the conditions precedent set out in the Placing Agreement (as supplemented by the Supplemental Agreement) have been fulfilled and completion of the Placing (“**Completion**”) took place on 31 July 2018. An aggregate of 300,510,000 Placing Shares have been successfully placed to not less than six Placees, at the Placing Price of HK\$0.50 per Placing Share pursuant to the terms of the Placing Agreement (as supplemented by the Supplemental Agreement).*

‘To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners (where applicable) are Independent Third Parties, and none of the Placees has become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing. The gross proceeds from the Placing are approximately HK\$150.26 million. The net proceeds from the Placing, after deducting the Placing Commission and other related expenses incurred in relation to the Placing, amount to approximately HK\$142.74 million, which are intended to be used for the payment for procurement of computer and peripheral products, the repayment of bank borrowings and general working capital of the Group.

‘EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

‘The 300,510,000 Placing Shares ... [CLICK TO ORDER FULL ARTICLE](#)

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