

TARGET

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T U E S D A Y

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CAA RESOURCES LTD:

MR LI YANG IS CHARGED ALLEGEDLY WITH ISSUING DUD CHEQUES

The Chairman of CAA Resources Ltd () (Code: 2112, Main Board, The Stock Exchange of Hongkong Ltd) has been sued by a Singapore-based bank for \$HK308,758,494.00.

Oversea-Chinese Banking Corporation Ltd () (OCBC) is the Plaintiff in Action Number 2196 of 2019, lodged, last Wednesday, in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The lone Defendant to this Action is Mr Li Yang (), the Chairman and Chief Executive Officer of CAA Resources Ltd.

According to Paragraphs Three and Four of the Statement of Claim, attached to Writ of Summons, Number 2196 of 2019, China Bright Industries Ltd (), a company, domiciled in the HKSAR, whose Issued and Fully Paid-Up Share Capital is wholly owned by CAA Resources Ltd, entered into a '*Facility Agreement*' with OCBC on January 9, 2017.

This Facility Agreement, said to have been evidenced by a purported '*Facility Letter*', dated June 14, 2016, was issued by the Plaintiff and a Supplemental Facility Letter, dated January 9, 2017, containing General Facilities Terms, was attached to the Supplemental Facility Letter.

The Facility Agreement stated, among other things: *‘the Plaintiff agreed to grant “Structured Trade Finance Facilities” up to the amount of US\$100,000,000 to China Bright upon the terms and conditions contained therein.’*

At Paragraph Five of the Statement of Claim, it is alleged that CAA Resources Ltd *‘executed a Guarantee (“Guarantee”) in favour of the Plaintiff ...’*.

Under the subheading, **‘Background’**, of the Statement of Claim, it is alleged:

- ‘5. *On or around 5 August 2014, and pursuant to the Facility Letter, CAA Resources executed a Guarantee (“Guarantee”) in favour of the Plaintiff, whereby CAA Resources guaranteed, inter alia, as a principal obligor the due and punctual payment and discharge of the “Guaranteed Liabilities” (as defined therein) to the Plaintiff upon the terms and conditions set out therein.*
- ‘6. *In wrongful breach of, inter alia, the Facility Letter, China Bright refused, neglected and/or omitted to make repayment to the Plaintiff as per the terms and conditions provided thereon. As at 8 July 2019, inter alia, China Bright is indebted to the Plaintiff in the total sum of USD36,961,697.43 (comprising of principal loan in the sum of USD36,532,561.60 and interest in the sum of USD429,135.83) as per the terms and conditions of, inter alia, the Facility Letter.*
- ‘7. *Upon repeated demands and reminders to both China Bright and CAA Resources, the two companies had neglected, failed and/or refused to settle such sum as per the terms and conditions of, inter alia, the Facility Letter and/or the Guarantee. Accordingly, each of China Bright and CAA Resources is indebted to the Plaintiff in the aforesaid sum, together with interests incurred as per the terms and conditions of, inter alia, the Facility Letter.*
- ‘8. *As a result of the above, the Plaintiff and, inter alia, China Bright entered into settlement negotiation, whereby the Plaintiff agreed to, inter alia, withhold from commencing legal proceedings against China Bright and/or CAA Resources on the condition that the Defendant issued 6 post-dated cheques in the total sum of HK\$330,758,494.00 to the Plaintiff (“the Settlement Agreement”).*
- ‘9. *Pursuant to the Settlement Agreement, the Defendant issued 6 post-dated cheques of respective sums to the Plaintiff on or around 7 December 2018. Amongst the others are four post-dated cheques (collectively referred to as “the Cheques”) in the total sum of HK\$308,758,494 drawn by the Defendant payable to the Plaintiff, with the following cheque numbers:-*

- (a) 868745 post-dated 22 March 2019 in the amount of HK\$46,800,000 (the “1st Cheque”);
- (b) 868746 post-dated 21 June 2019 in the amount of HK\$85,800,000 (the “2nd Cheque”); and
- (c) 868747 post-dated 26 September 2019 in the amount of HK\$117,000,000 (the “3rd Cheque”).
- (d) 868748 post-dated 18 November 2019 in the amount of HK\$59,158,494 (the “4th Cheque”).’

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

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