

TARGET

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T U E S D A Y

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**GROUND INTERNATIONAL DEVELOPMENT LTD:
A CHINESE BANK HAS SUED THE CONTROLLING
SHAREHOLDERS FOR MORE THAN \$HK442 MILLION**

Industrial Bank Company Ltd (), Hongkong Branch, has lodged an Action in the High Court of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, claiming more than \$HK442 million from five Defendants.

(Industrial Bank Company Ltd is incorporated in the PRC, proper, being separate and distinct from the HKSAR of the PRC, and it is a licensed bank in the HKSAR.)

The Five Defendants to Writ of Summons, Number 495 of 2020 (Statement of Claim, attached) are:

Charm Success Group Ltd ()

First Defendant

Ms Cui Xin Tong ()

Second Defendant

Mr Cui Min Dong ()

Third Defendant

Ms Chai Xiu ()

Fourth Defendant

The First Defendant is a company, domiciled in the **British Virgin Islands (BVI)** and it is stated, at Paragraph Two of the Statement of Claim, that the Second Defendant and the Fourth Defendant *‘were directors of the 1st Defendant, and the 2nd Defendant was and is the controlling person of the 1st Defendant. The 3rd Defendant and the 4th Defendant are parents of the 2nd Defendant.’*

The Fifth Defendant is domiciled in the BVI and, according to Paragraph Three of the Statement of Claim, *‘is controlled by the 2nd Defendant. Both the 1st and the 5th Defendants were and are shareholders of Ground International Development Limited () (a company incorporated in Bermuda and listed on the Stock Exchange of Hong Kong (stock code 989)) (the (“Listco”).’*

The Facility Letter

According to Paragraph Four of the Statement of Claim, on or about October 13, 2017, Industrial Bank Company Ltd (the Plaintiff in HKSAR High Court Action, Number 495 of 2020) allegedly provided *‘revolving loan facilities of up to a total of HKD650,000,000 to the 1st Defendant.’*

The First Defendant is alleged to have accepted the terms and conditions in the Facility Letter and signed the Facility Letter on October 13, 2017, it is alleged.

The two revolving loan facilities in the amounts of \$HK500 million (“**R/L I**”) and \$HK150 million (“**R/L II**”) *‘were granted to the 1st Defendant’*, it was alleged at Paragraph 5.(1).

Then, taking up the Statement of Claim from Paragraph 5.(3) through to Paragraph 10, it is alleged:

‘5. (1) ...

(3) *The 1st Defendant shall pay interest on each drawing by reference to interest period as determined by the Plaintiff at the time of the drawing (1 month or 3 months) at the interest rate of 6.5% per annum above Hong Kong Interbank Offer Rate (i.e. the HIBOR) (of which HIBOR for one month is adopted by the Plaintiff under the Facility Letter) for the duration of the relevant interest period, calculated on the basis of the actual number of days elapsed and a 365-day year.*

(4) *Default interest shall be charged on any amount overdue at 5% per annum above the interest rate as set out in sub-paragraph (3) above, from the due date to the date that all sums owing by the 1st Defendant to the Plaintiff have been paid in full.*

(5) *The facilities shall mature on (i) for R/L I, the earlier of 12 months after the 1st Defendant's acceptance of the Facility Letter (i.e. 17 October 2018), or the Plaintiff's prevailing annual review date; and (ii) for R/L II, up to 29 December 2017.*

'6. *As set out in Clause 3 of the Facility Letter, the said loans were secured by:-*

(1) *personal guarantees each for HKD650,000,000 given by the 2nd, 3rd, and 4th Defendants;*

(2) *a corporate guarantee for HKD650,000,000 given by the 5th Defendant;*

(3) *a second share charge given by the 1st Defendant in respect of its 558,020,694 ordinary shares in the Listco; and*

(4) *a share charge given by the 5th Defendant in respect of its 1,602,237,816 ordinary and 2,439,352,941 preference shares in the Listco.*

Each of the 2nd, 3rd, 4th and 5th Defendants also signed on the Facility Letter to acknowledge their acceptance of the terms of and their liabilities under the Facility Letter.

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

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