

TARGET

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T U E S D A Y

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CHINA HUISHAN DAIRY HOLDINGS COMPANY LTD:

THINGS ARE MORE THAN A LITTLE SOUR FOR MR YANG KAI

The former Chairman and Controlling Shareholder of China Huishan Dairy Holdings Company Ltd () (Provision Liquidators Appointed) has been sued in the High Court of The **H**ongkong **S**pecial **A**ddministrative **R**egion (**HKSAR**) of the **P**eople's **R**epublic of **C**hina (**PRC**) for the sum of \$HK119,702,925.78 plus interest at the rate of seven percent per annum from May 1, 2020.

He is Mr Yang Kai (), the lone Defendant in Writ of Summons, Number 841 of 2020, Statement of Claim attached, lodged in the HKSAR High Court of Friday, May 29, 2020.

The address of Mr Yang Kai is given in the Writ of Summons as being -8-13A131-1-2.

The Plaintiff to this Action is Shanxi Securities International Ltd ().

China Huishan Dairy Holdings Company Ltd had the listing of its Shares on the Premier Equity Market of the HKSAR cancelled with effect from 0900 hours on Monday, December 23, 2019.

HKSAR Writ of Summons, Number 132 of 2020

High Court Writ of Summons, Number 841, was the second time, this year, that Mr Yang Kai had been sued in the HKSAR High Court.

On Thursday, January 23, 2020, Mr Yang Kai was sued by Cozy Pony Ltd (the Plaintiff), a company, incorporated in the **British Virgin Islands (BVI)**.

Cozy Pony Ltd alleged that it was owed the sum of \$HK142,280,148.44, plus interest in the amount of \$HK35,603,522.91, in respect of a Term Loan.

In that Action, the address of the Lone Defendant was given as being:

CA2, Shangri-la,
Number Eight, Pubei Road,
Shenbei New District,
Shenyang,
The People's Republic of China.

In the Endorsement of Claim, attached to Writ of Summons, Number 132 of 2020, it was alleged as follows in just six paragraphs:

- '1. *The Plaintiff (as Lender) and Champ Harvest Limited ("**Champ Harvest**") (as Borrower) entered into a Facility Letter (the "**Facility Letter**") and a Term Loan Agreement both dated 15 December 2015 (as amended and supplemented by an Amendment Letter to the Facility Letter and Term Loan Agreement dated 28 September 2016) in respect of two tranches of term loan facility in the total sum of HK\$250,000,000 (together, the "**Loan Agreement**").*
- '2. *The Defendant executed a Deed of Guarantee in favour of the Plaintiff dated 15 December 2015 (as amended and supplemented by a Supplemental Deed executed in 2016) (together, the "**Guarantee**") pursuant to which the Defendant, inter alia, irrevocably and unconditionally guaranteed the performance by Champ Harvest of all its obligations under the Loan Agreement.*
- '3. *As stated in a demand letter issued by the Plaintiff to the Defendant and Champ Harvest dated 25 October 2019 (the "**Demand Letter**"), as of the date of the Demand Letter (i.e. 25 October 2019), the amount of outstanding principal payable by Champ Harvest to the Plaintiff pursuant to the Loan Agreement was HKD142,280,148.44, and the amount of outstanding interest was HKD35,603,522.91; hence, the total outstanding amount payable by Champ Harvest*

*to the Plaintiff pursuant to the Loan Agreement as of the date of the Demand Letter was HK\$177,883,671.35 (the “**Outstanding Sum**”).*

- ‘4. Despite the Demand Letter, Champ Harvest has failed to repay the Outstanding Sum or any part thereof.*
- ‘5. As such, pursuant to the terms of the Guarantee, the Defendant is liable to repay the Outstanding Sum to the Plaintiff. However, despite the Demand Letter, to date the Defendant has failed to repay the Outstanding Sum or any part thereof.*
- ‘6. Further, pursuant to Clause 5 of the Facility Letter (as amended), interest continues to accrue on the Outstanding Sum at the rate of (P+4%) per annum – i.e. 9% per annum.*

‘AND THE PLAINTIFF CLAIMS:

- ‘(1) the Outstanding Sum;*
- ‘(2) interest accrued after 25 October 2019 at the contractual rate referred to at paragraph 6 above;*
- ‘(3) alternatively, interest pursuant to section 48 of the High Court Ordinance (Cap. 4);*
- ‘(4) costs; and,*
- ‘(5) further and/or other relief.’*

Champ Harvest Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

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