

TARGET

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T U E S D A Y

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PF GROUP HOLDINGS LTD: THE CHAIRMAN IS SUED FOR MORE THAN \$HK362 MILLION

And He Faces A Bankruptcy Petition, To Boot

The Chairman of PF Group Holdings Ltd (Code: 8221, The Growth Enterprise Market [the **GEM**], The Stock Exchange of Hongkong Ltd) is facing claims in the High Court of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, aggregating not less than \$HK362 million.

Mr Benson Lo Tak Wing (羅德榮), during the past seven months, has amassed nine Writs of Summons, lodged in the HKSAR High Court, Civil Matters, in which he is said to be the Defendant, in respect of alleged '*Debts*' and '*Contracts*'.

In the most-recent of the nine Writ of Summons, Mr Lau Ka Shun – the Plaintiff – has lodged Writ of Summons, Number 1869 of 2020, Statement of Claim attached, claiming \$HK20 million from Mr Benson Lo Tak Wing, plus '*overdue interest*' on that sum of money, amounting to \$HK2,562,397.00, up to October 21, 2020.

Mr Lau Ka Shun, who is claimed to be '*a merchant*', is said to have an address in the HKSAR, being:

Suites 3103-04, 31st Floor,
Tower Six, The Gateway,
Number Nine, Canton Road,
Tsimshatsui, Kowloon,
The HKSAR.

According to the Statement of Claim, the following is alleged:

1. The Plaintiff lent to the Defendant – Mr Benson Lo Tak Wing – the sum of \$HK20 million at the interest rate of 18 percent per annum, '*from the date of the First PN (Promissory Note)*', dated April 26, 2018, with the Defendant, '*unconditionally and irrevocably*' promising to repay the loan and the interest by July 26, 2018 (Paragraph Three of the Statement of Claim);

2. The Plaintiff ‘*effected the Loan to the Defendant*’ pursuant to the First PN, ‘*by way of 2 cheques drawn in the Defendant’s favour in the respective amount of HK\$12,000,000.00 ... and HK\$8,000,000.00 ... The Plaintiff’s Cheques were cleared on 26th April 2018* (Paragraphs Four and Five of the Statement of Claim);
3. The Defendant ‘*did not repay the Loan on 26th July 2018 ...*’. The Plaintiff ‘*agreed to extend the time of the repayment of the Loan and Interest thereon by entering into further or a series of Promissory Notes (the “Subsequent PN’s”)* with the Defendant.’ (Paragraph Six of the Statement of Claim).

The Statement of Claim, then, attests that it was agreed that the Plaintiff would extend the ‘*Date of Repayment*’ of the Loan and Interest from July 26, 2018, until April 17, 2020, with the interest factor, being 18 percent per annum with the lone exception, being May 26, 2020, when the interest factor would be raised from 18 percent per annum to 25 percent per annum.

Then, taking up the Statement of Claim from Paragraph Eight, it was alleged:

- ‘8. *Despite repeated requests and demands by the Plaintiff, the Defendant had, in breach of the 17 April 2020 PN, failed and/or refused to repay the Loan and/or Interest or any part thereof at all on 26th May 2020.*
- ‘9. *On 19th June 2020, the Plaintiff as the Lender and the Defendant as the Borrower entered into a Deed of Undertaking (the “Deed”) whereby the Defendant covenanted and agreed, inter alia, with the Plaintiff the following:-*
 - (a) *As of the date of the Deed, the Defendant is indebted to the Plaintiff for a total sum of the Loan of HK\$20,000,000.00 plus interest accrued (the “Total Debt”); and*
 - (b) *The Total Debt shall include the Loan amount of HK\$20,000,000.00 plus all applicable interest under the 16 April 2020 PN (i.e. HK\$200,000.00 as at date of the Deed) and 17 April 2020 PN (i.e. HK\$835,000.00 plus overdue interest of HK\$328,222.00 as at date of the Deed).*
- ‘10. *The Plaintiff will refer to the true terms, meaning and effect of the Deed at trial.*
- ‘11. *In about September 2020, the Defendant issued 4 cheques in favour of the Plaintiff as follows:-*

<u><i>Date of Cheque</i></u>	<u><i>Cheque No.</i></u>	<u><i>Amount</i></u>
(1) 4 th September 2020	999076	HK\$5,000,000.00

(2) 10 th September 2020	999077	HK\$5,000,000.00
(3) 17 th September 2020	999078	HK\$5,000,000.00
(4) 24 th September 2020	999079	HK\$5,000,000.00

Total:- HK\$20,000,000.00

(hereinafter collectively referred to as the “Defendant’s Cheques”)

‘12. The Plaintiff had duly presented the Defendant’s Cheques for payment at the Citibank (Hong Kong) Limited (花旗銀行[香港]有限公司) but all the Defendant’s Cheques were returned on 8th September 2020, 29th September 2020, 30th September 2020, and 30th September 2020 respectively for the reason of “refer to drawer” and/or “AWAIT DRAWER’S CONFIRMATION”.

‘13. By a demand letter dated 5th October 2020 and another demand letter dated 14th October 2020 both addressed to the Defendant, the Plaintiff through his solicitors, Messrs. Leung, Tam & Wong, demanded the Defendant for payment of the Total Debt.

‘14. Despite repeated requests and demands of the Plaintiff and the 2 aforesaid demand letters, the Defendant has still failed and/or refused to pay the Total Debt or any part thereof at all.

‘15. By reason of the matters aforesaid, the Total Debt (or the Loan together with the accrued interest and overdue interest thereon) should become due and payable forthwith pursuant to the 17 April 2020 PN. As at 21st October 2020, the Defendant was still indebted to the Plaintiff in the sum of HK\$22,562,397.00 (the “Outstanding Sum”) under the 17 April 2020 PN, particulars of which are shown as follows:-

PARTICULARS

	<u>Amount</u>
Outstanding balance of the Loan as at 21 st October 2020	HK\$20,000,000.00
Add : (i) Outstanding interest on outstanding Loan for the period from 26 th March 2020 to 26 th May 2020	HK\$535,000.00
(ii) Overdue interest on outstanding Loan for the period from 26 th May 2020 to 21 st October 2020	HK\$2,027,397.00
Total amount due:-	<u>HK\$22,562,397.00</u>

‘16. The Defendant is justly and truly indebted to the Plaintiff for the Outstanding Sum. Up to the date hereof, the said sum of HK\$22,562,397.00 remains wholly unpaid and outstanding.

'17. Pursuant to sections 48 and 49 of the High Court Ordinance, the Plaintiff is entitled to claim interest on the amount found to be due at such rate and for such period as the Court may think fit.

'AND THE PLAINTIFF CLAIMS AGAINST THE DEFENDANT FOR:-

- '(1) The outstanding balance of the Loan in the sum of HK\$20,000,000.00;*
- '(2) The interests on the Loan and overdue interest on the late payment of outstanding interest in the sum of HK\$2,562,397.00 up to 21st October 2020;*
- '(3) Interest at the rate of 25% per annum on the outstanding Loan pursuant to the 17 April 2020 PN from 22nd October 2020 until payment or at judgment rate or at the rate as the Court may deem fit until payment;*
- '(4) Further or other relief as the Court thinks fit;*
- '(5) Interest under sections 48 and 49 of the High Court Ordinance; and*
- '(6) Costs.'*

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

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