

TARGET

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SINO GOLF HOLDINGS LTD: THE CONTROLLING SHAREHOLDER IS SUED FOR NOT LESS THAN \$HK300 MILLION

The former Chairman and Executive Director of Sino Golf Holdings Ltd (順龍控股有限公司) (Code: 361, Main Board, The Stock Exchange of Hongkong) and, still, the Controlling Shareholder of this publicly listed company, has been sued in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for at least \$HK300 million.

He is Mr Huang You Long (黃有龍), the First Defendant in High Court Action, Number 983 of 2021.

The Plaintiff to this Action is Max Pointer Ltd (萬滙有限公司), a licensed money lender in the HKSAR.

In addition, Mr Pang Yu Feng (逢宇峰) has been named as the Second Defendant to Action Number 983 of 2021.

The Statement Of Claim

The Statement of Claim, attached to Writ of Summons, Number 983 of 2021, states, at Paragraphs One and Three, that JC International Finance Ltd (明諾國際財務有限公司) (hereinafter referred to as '**JCIFL**') '*By 2 Deeds of Assignment ... executed by JCIFL in the Plaintiff's favour absolutely, the Plaintiff is and now sues in the capacity of the legal and beneficial owner of the Loans and the Guarantees; and hence the creditor of the 1st Defendant and the obligee of the 2nd Defendant.*'

The First Loan

At Paragraph Four of the Statement of Claim, it is alleged that, on or about August 29, 2016, JCIFL '*entered into a facility agreement dated 29 August 2016 ("**the 1st Facility Agreement**") under which JCIFL agreed to lend and the 1st Defendant agreed to borrow a loan in the sum of HK\$100,000,000.00 ("**1st Loan**" or "**1st Principal Sum**") for a term of 12 months from the date of making of the 1st Loan at an interest rate of 2% per month (i.e. 24% per annum) on the 1st Principal Sum subject to the terms and conditions set out in the 1st Facility Agreement.*'

At Paragraphs Five through to Eight of the Statement of Claim, it is alleged that the Plaintiff made known the full terms and effect in respect of the 1st Facility Agreement.

At Paragraph Nine of the Statement of Claim, it is alleged that ‘*the 2nd Defendant executed a guarantee dated 30 August 2016 in favour of JCIFL (“1st Guarantee”)*.’

From Paragraphs 10 and 11 of the Statement of Claim, the Plaintiff outlines the effects of the Guarantee under the subhead: “*Under the section ‘Assignment’*”.

Then, taking up the Statement of Claim from Paragraph 12 through to 15, it is alleged:

‘12. For the purpose of satisfying the conditions precedent of the 1st Facility Agreement and to facilitate the due repayment of the 1st Loan and/or interest thereof, the 1st Defendant drew in favour of JCIFL: -

- (a) 12 undated cheques of HK\$2,000,000.00 each for payment of the 1st Loan’s 1st to 12th Monthly Interests (as respectively defined in paragraph 16 hereinbelow) (“**1st Loan’s Interest Payment Cheques**”); and
- (b) 1 undated cheque of HK\$100,000,000.00 for payment of the 1st Principal Sum (“**1st Principal Sum Payment Cheque**”).

‘13. By a notice of drawing dated 1 September 2016 issued by the 1st Defendant to JCIFL (“**1st Notice of Drawing**”), the 1st Defendant referred to the 1st Facility Agreement and, inter alia:

- (a) gave JCIFL notice that the 1st Defendant wishes to make the drawing in the amount of HK\$100,000,000.00 on 1 September 2016; and
- (b) authorized and directed JCIFL to issue cheque(s) in the total amount of HK\$100,000,000.00, being the amount of the 1st Loan as split up in the following manners:
 - i. a cheque in the sum of HK\$50,000,000.00 payable to the 1st Defendant; and
 - ii. a cheque in the sum of HK\$50,000,000.00 payable to the 2nd Defendant.

‘14. It is an implied term of the 1st Facility Agreement that JCIFL is authorised to insert the dates on the undated cheques of the 1st Defendant and bank in the same on a date not earlier than the interest and/or the 1st Principal Sum became due for the payment of the same.

‘15. In performance of the 1st Facility Agreement, on 1 September 2016, JCIFL advanced the 1st Loan to the 1st Defendant by 2 cheques of

HK\$50,000,000.00 each payable to the 1st and 2nd Defendants respectively pursuant to the 1st Notice of Drawing.'

At Paragraph 17 of the Statement of Claim, it is alleged that '*The 1st Loan's 1st and 8th Monthly Interests were paid by the 1st Defendant by 8 of the 12 1st Loan's Interest Payment Cheques.*'

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