

# TARGET

## Intelligence Report

VOLUME XXIV No. 99

S A T U R D A Y

May 14, 2022

### **CHINA ASSURANCE FINANCE GROUP LTD: IS THIS THE COMPANY'S LAST STRAW ?**

The Chairman of the Board of Directors of China Assurance Finance Group Ltd (中國融保金融集團有限公司) (Code: 8090, The Growth Enterprise Market [the GEM], The Stock Exchange of Hongkong Ltd), has been sued in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for the princely sum of \$HK22,360,063.19.

He is Mr Nixon Pang Man Kin (彭文堅), the lone Defendant in HKSAR High Court Action, Number 498 of 2022, Statement of Claim attached to the Writ of Summons.

The Plaintiff to this Action is China Industrial Securities International Brokerage Ltd (興證國際證券有限公司), a company, incorporated in the HKSAR, having offices at:

The 32<sup>nd</sup> Floor, Infinitus Plaza,  
Number 199, Des Voeux Road Central,  
Sheung Wan,  
Hongkong Island,  
The HKSAR.

The address of the lone Defendant, Mr Nixon Pang Man Kin, was given in the recitals of the Writ of Summons as being:

Flat A, 11<sup>th</sup> Floor, Somerset,  
Number 67, Repulse Bay Road,  
Repulse Bay,  
Hongkong Island,  
The HKSAR.

In the four-page Statement of Claim, the Plaintiff is described as being a provider of financial services, including global securities and futures trading.

The Statement of Claim makes the allegation, at Paragraph Two, that the Defendant, on or about July 7, 2015, '*executed an account opening form which incorporates the Plaintiff's client agreement ... for the purpose of opening a securities margin account at the Plaintiff (account no. 21801766) (the "Account").*'

The Statement of Claim continues, at Paragraphs 3. 3.1, outlining the full terms and effect of the Client Agreement.

Taking up the Statement of Claim, starting at Paragraph 3.2, it is alleged:

- ‘3.2 According to Clause 8.2, Section 1 of the Client Agreement, the Defendant shall pay interest on all overdue balances in the Account (including any amount owing to the Plaintiff at any time) at such rates and on such other terms as the Plaintiff in its absolute discretion set and notify the Defendant from time to time. Such interest shall accrue on a day-to-day basis and shall be paid on the last day of each calendar month or as soon as possible upon demand by the Plaintiff. Overdue interest shall be compounded monthly and shall itself bear interest.*
- 3.3 According to Clause 6.1, Section 2 of the Client Agreement, the facility extended by the Plaintiff is repayable on demand and may be varied or terminated in the absolute discretion of the Plaintiff.*
- 3.4 According to Clause 2.8, Section 2 of the Client Agreement, the Defendant agrees to pay interest on the facility he received, and such interest will be accrued on a daily basis. Such interest may be deducted by the Plaintiff from the margin account or any other accounts of the Defendant with the Plaintiff.*
- 3.5 According to Clause 6.2, Section 2 of the Client Agreement, upon termination of the facility, any outstanding indebtedness of the Defendant shall forthwith be repaid to the Plaintiff.*
- 3.6 According to Clause 17.2, Section 1 of the Client Agreement, the Defendant agrees to fully indemnify and keep indemnified the Plaintiff against any losses, costs, claims, liabilities or expenses that may be suffered or incurred by the Plaintiff arising out of or in connection with the breach by the Defendant of any of its obligations under the Client Agreement.*
- ‘4. The Defendant conducted securities trading through the Account with the margin facility extended by the Plaintiff, which has led to deficit therein.*
- ‘5. No protest against the securities trading transactions conducted through the Account has ever been made by the Defendant.*
- ‘6. In the circumstances, the Plaintiff requested the Defendant to repay the deficit in the Defendant’s Account by letters dated 12<sup>th</sup> February 2022 and 18<sup>th</sup> March 2022 respectively. However, the Defendant has, in breach of the Client Agreement, refused and/or failed to settle the Defendant’s indebtedness to the Plaintiff.*

- '7. A total deficit of HK\$22,360,063.19 has accrued in the Account (the "Outstanding Sum") up to 25<sup>th</sup> March 2022 and remains due and owing to the Plaintiff.*
- '8. The Defendant is liable to repay the Outstanding Sum to the Plaintiff.*
- '9. The Plaintiff further claims interest pursuant to sections 48 and 49 of the High Court Ordinance (Cap. 4).'*

***'AND THE PLAINTIFF CLAIMS AGAINST THE DEFENDANT:***

- '1. The Outstanding Sum of HK\$22,360,063.19;*
- '2. Interest pursuant to sections 48 and 49 of the High Court Ordinance (Cap. 4);*
- '3. Costs; and,*
- '4. Further and/or other relief.'*

No doubt, Management of China Industrial Securities International Brokerage Ltd was well aware of the fact that The Stock Exchange of Hongkong Ltd had cancelled the Listing of China Assurance Finance Group Ltd on the GEM with effect from March 12, 2021.

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

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*