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Your Ref: KF/LIT-148/14/1541642/kf Our Ref: LF/K/201717070/AS Date: 21st November 2017

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Dear Sirs,

Re: HCCW 386 of 2016 (“the Proceedings”)

We act for the Petitioner, Mr. Koo Ming Kown, in the Proceedings.

Pursuant to Paragraph 2 of the Order dated 6 January 2017 made by Deputy High Court Judge Hunsworth in Chambers (“**the January 2017 Order**”), your client, the Baptist Convention of Hong Kong (“**BCHK**”) had made the purported payment into Court in the sum of HK\$14,284,627 (“**the Sum**”) with the Notice of Payment into Court filed on 13 January 2017, being the purported security payment for the outstanding interest due to our client pursuant to an Amended Order and an Amended Judgment both re-filed on 14 June 2017 in HCA1339/2014, upon which the 1st Defendant, BCHK, was ordered and adjudged, inter alia, to repay the sum of HK\$20,000,000 to our client forthwith.

According to the 5th Affidavit of Chan Chi Mong Hopkins (“**CCMH**”) filed on 8 November 2017 in HCA1339/2014, he confirmed under oath that the Sum was actually paid by Pui Ching Primary School from the Hong Kong Dollar Savings Account No. 696-1-12375900 held at CITIC Bank International Limited in name of Pui Ching Primary School.

...../Pg. 2

At the hearing before Deputy High Court Judge Seagroatt in Chambers on 9 November 2017 at 10:00 a.m. in HCA1339/2014 with respect to our client's Summons filed on 14 September 2017 upon which Leading Counsel for our client sought directions, inter alia, from the Court in relation to the source of funds for the Sum, the Learned Judge clearly stated that **“the 1st Defendant is the tortfeasor, anything that flows from that tort is the liability of the Convention (namely, BCHK)”**.

In the premises, it is beyond dispute that the Sum ought to be borne by BCHK and should not be paid out from the funds of Pui Ching Primary School.

However, your client, BCHK, a charitable organization and trustee of the assets of Pui Ching Primary School, had blatantly utilizing the funds of Pui Ching Primary School to pay BCHK's own liability is a breach of trust and also in breach of the January 2017 Order where Paragraph 2 thereof stated that **“The Respondent (namely, BCHK) shall pay into Court within 7 days the sum of HK\$14,284,627”**.

In the circumstances, our client takes the view that BCHK had never paid the Sum into Court, which was due on 13 January 2017.

We are instructed to notify your client that our client will not accept the Sum paid into Court and we hereby demand your client to settle the outstanding interest in the following manner:

1. BCHK do apply for payment out of the Sum and return the Sum to Pui Ching Primary School with evidence ought to be provided to us.
2. BCHK do pay the outstanding interest in the sum of HK\$10,687,195.90 from its own source of funds as demanded in the letter dated 26 June 2017 from Ince & Co, the previous solicitors for our client, to you. Evidence of the source of the said payment shall be provided to us upon payment.
3. BCHK do pay the remaining balance of the Sum into Court (after deducting the sum of HK\$10,687,195.90) plus additional interest incurred each day, as security for the outstanding costs (pending taxation) due to our client. Interest continues to run until actual payment into Court with money directly paid out from BCHK. The said payment must be paid from BCHK's own source of funds and evidence of the source of fund of such payment shall be provided to us upon payment.
4. The aforesaid payments shall be made by BCHK within 7 days upon approval by the Court.

Please take instructions from your client and let us know whether or not the above terms are agreeable to your client. If your client agrees to the above terms, we propose to deal with the above terms by Consent Summons, with costs to our client. We will then send a draft Consent Summons to you for your client's consideration.

We look forward to receiving your reply **within seven (7) days** from the date of this letter. Failing receipt of your response, we have standing instructions from our client to proceed with the enforcement proceedings, including but not limited to (1) restoring the hearing for substantive argument with one day reserved pursuant to the Order dated 9 February 2017 made by the Honourable Mr. Justice Harris in Chambers for the winding up of BCHK; (2) seeking the Court's directions against BCHK for payment of interest at judgment rate on the Sum from 13 January 2017 onwards until payment to our client, because BCHK had failed to comply with the January 2017 Order. The said interest payment shall be paid from BCHK's own source of funds and evidence of the source of funds of such interest payment has to be provided to us upon payment; and (3) seeking costs on indemnity basis against BCHK.

All our client's rights are reserved.

Yours faithfully,



LILY FENN & PARTNERS
c.c. client