

STATEMENT OF DEFENCE

1. Plaintiff to prove. ✓
2. Save for the defendants address which has changed, statement is true. ✓
3. Statement not true, Dr. Felix Kwame Semavor is not a Shareholder in the Kingdom Premium Fruits LTD. *Denied put to strict proof.*
4.
 - a. Denied. Hold plaintiff to strict proof. The Plaintiff wanted to take advantage to refinance existing loans with EDAIF and converted accumulated interest into a new loan.
 - b. Denied. Hold plaintiff to strict proof. Save the Plaintiff converted existing loans and refinanced with EDAIF at 2% and advanced to 1st Defendant at 12.5% per annum.
 - c. Denied. Hold plaintiff to strict proof. Save the loan agreement was for **GHS800,000** but the 1st Defendant Bank Account was debited **GHS836,677**.
 - d. Denied. Hold plaintiff to strict proof. Save the facility which was meant for working capital was disbursed by Plaintiff to pay for its bank charges and commissions (Bank Statement attached as appendix A).
 - e. Denied. Hold plaintiff to strict proof.
5.
 - a. Denied
 - b. Denied
 - c. Denied
 - d. Denied
 - e. Denied
6. Denied

7. Denied. The 1st Defendant has not drawn its Bank Account by **GHS82,626.11**. the 1st Defendant has ceased operations of the account and has not issued any cheques or cash on this account.
8. Denied
9. Denied
11. Denied
12. Denied
13. Save that the Plaintiff was only interested to re – finance its loans earlier granted to the Defendant at a concessionary interest rate of 2% from EDAIF. The total loans refinanced with EDAIF at 2% interest rate but advanced to the 1st Defendant at rates ranging from 12.5% to 22% are as per loan agreements attached as appendix B to E.
14. Save that the Plaintiff provided Working Capital facility of **GHS100,000** to the Plaintiff which was woefully inadequate to run the business successfully. The actual amount disbursed was **GHS99,000** and was used by Plaintiff to liquidate Bank charges.
15. Save that the Plaintiff bought the following equipment from a supplier with Purchase Contract attached as appendix F at a total amount of **US\$218,092.81**.
Due to increase in the Ghana Cedi/US dollar interest rate, total payment on maturity of the letter of credit was **GHS836,677** which was more than the **GHS800,000** loan. The total leasing facility for equipment was **GHS800,000**. The excess **GHS36,677** had to be deducted from the meagre **GHS100,000** Working Capital facility. Therefore there was no Working Capital to operate the factory.
16. Save that the equipment purchased has 25 – 40% bottling reject rate which was extremely abnormal. The equipment did not function to ensure effective production. The equipment was subsequently scrapped (refer appendix “G”).
17. Save that the equipment procured by the Plaintiff was not fit for its purpose. The mangopine juice produced was inferior quality and could not be marketed. Customers who purchased the juice returned the juice to Defendants stores after 30 days for the following reasons;
 - Bloating of Juice
 - Fungi Infection
 - Colour DegradationThe Equipment was subsequently scrapped (appendix “G”).

18. Save that when Defendant could not use the equipment Plaintiff procured because they were not fit for the purposes, Defendant spent **US\$120,000** from Shareholder resources to replace the entire bottling line from Wellbing Packaging Machinery Trading in the United Arab Emirates as per equipment list in Appendix "H").
19. Save that inability to service the debt was due to;
 - a. No Working Capital provided by Plaintiff.
 - b. Defective Equipment procured by Plaintiff per list in Appendix xxx.
 - c. Defendant has to fund replacement of entire bottling line with new equipment procured from Wellbing Packaging Machinery Trading of UAE per appendix "H".