

**CHINA ENVIRONMENTAL RESOURCES GROUP LTD:
THE SUBSTANTIAL SHAREHOLDER LAUNCHES AN ATTACK**

Mr Choy Ping Fai (), via a private company in which he is a confirmed Director of record, has just sued a Mr James Wong Kwong Chung () for the return of about 0.69 percent in the Issued and Fully Paid-Up Share Capital of China Environmental Resources Group Ltd () (Code: 1130, Main Board, The Stock Exchange of Hongkong Ltd).

In Action Number 259, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China, Total Honour Investments Ltd, a company that is not domiciled in the territory, has sued Mr James Wong Kwong Chung for the return of 60 million shares in the Share Capital of China Environmental Resources Group Ltd.

According to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), Mr James Wong Kwong Chung is not a director of any publicly listed company in the HKSAR and he has never been shown as a Substantial Shareholder of any publicly listed company.

Nevertheless, the General Indorsement of Writ, attached to Writ of Summons, Number 259, alleges that Mr James Wong Kwong Chung *'has wrongfully repudiated the Escrow Agreement ("the EA") entered into on or about 14th December 2010.'*

The Plaintiff – Total Honour Investments Ltd – is seeking an Order *'that the Defendant do forthwith: (a) transfer or procure to be transferred to the Plaintiff (or their nominees) all the 60 million Shares which had previously been transferred or procured to be transferred by the Plaintiff to the Defendant (or their nominees) pursuant to the EA; and (b) take any and all such steps as may be necessary to complete the said transfers in favour of the Plaintiff (or their nominees).'*

This would suggest that Mr Choy Ping Fai is, via the Plaintiff, part legal owner or total legal owner of all of the 60 million shares in the Share Capital of China Environmental Resources Group Ltd.

Which may be considered by the HKSAR Authorities to have been a little naughty.

According to the Annual Report of China Environmental Resources Group Ltd in respect of the Financial Year, ended June 30, 2010, Mr Choy Ping Fai is shown to be a Substantial Shareholder of the company to the extent of 2,614,270,000 shares.

This is equivalent to about 29.89 percent of the Total Issued and Fully Paid-Up Share Capital of the company.

The 60 million shares, mentioned in HKSAR High Court Action, Number 259, being equivalent to 0.69 percent of the Issued and Fully Paid-Up Share Capital of China Environmental Resources Group Ltd, would bring up the total shareholding of Mr Choy Ping Fai to 30.58 percent or, alternatively, Mr Choy Ping Fai holds an equity interest in that part of this offshore company in which he is a beneficial shareholder, if not in whole, and that equity interest would increase his equity interest in China Environmental Resources Group Ltd in proportion to that interest in the offshore company.

Obviously, 0.69 percent is much smaller than 29.89 percent, but one cannot help but ponder the reason that Mr Choy Ping Fai would seek to obtain the services of Mr James Wong Kwong Chung, back in December 2010, in order to secret those 60 million shares or any part thereof.

If ... [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. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*