

**CHINA ENERGY DEVELOPMENT HOLDINGS LTD:
IS THIS ODD ?
OR, IS IT STANDARD S.O.P. ?**

It may appear odd to some people to learn that a publicly listed company, listed on the Main Board of The Stock Exchange of Hongkong Ltd, one that, recently, was sued in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for nearly \$HK107 million, has not seen fit to inform its shareholders of the matter.

The company about which **TARGET** () is referring is China Energy Development Holdings Ltd () (Code: 228, Main Board).

China Energy is the Third Defendant in High Court Action, Number 98 of 2014, an Action brought by the following two Plaintiffs:

Wang Li Shuang
Feng Shu Xian

First Plaintiff
Second Plaintiff

Aside from China Energy, there are two other Defendants, namely:

Mr Wang Han Ning ()
U.K. Prolific Petroleum Group Company Ltd

First Defendant
Second Defendant

According to the database of **TOLFIN** (), the First Defendant is, legally, the sole shareholder of the entire Issued and Fully Paid-Up Share Capital of the Second Defendant.

According to **TOLFIN**, as at June 30, 2013, the First and Second Defendants were interested in 170.67 percent of the Issued and Fully Paid-Up Share Capital of China Energy by virtue of the Convertible Notes in the Principal Amount of \$HK1,958,670,000, due in 2041.

Based on the Conversion Price of 16.80 cents per share, a maximum of 11,658,750,000 shares in the Issued and Fully Paid-Up Share Capital of China Energy may be allotted and issued on exercise of the Conversion Rights, attached to the Convertible Note in full.

In High Court Action, Number 98, the Writ of Summons, Statement of Claim attached, it is alleged that the First Defendant granted to the First Plaintiff *'an option to acquire and/or agreed to transfer shares of the 3rd Defendant (which are owned by the 1st and/or 2nd Defendant and/or to which the 1st and/or the 2nd Defendant is entitled to) in the quantity equivalent to the consideration of HK\$53,410,560.00 the principal amount'*.

Paragraph Five of the Statement of Claim to Paragraph 12 put forth the Plaintiffs' Claims on the three Defendants in the following terms:

- '5. *On behalf of himself and/or the 2nd Defendant, the 1st Defendant granted to the 2nd Plaintiff an option to acquire and/or agreed to transfer shares of the 3rd Defendant (which are owned by the 1st and/or 2nd Defendant and/or to which the 1st and/or the 2nd Defendant is entitled to) in the*

quantity equivalent to the consideration of HK\$53,409,440.00 principal amount.

- ‘6. *On about 2 August 2013, the 1st Plaintiff’s solicitors by way of letter dated 2 August 2013 wrote to the 3rd Defendant to exercise 1st Plaintiff’s right to acquire shares of the 3rd Defendant (which are owned by the 2nd Defendant and/or to which the 2nd Defendant is entitled to) in the quantity equivalent to the consideration of HK\$53,410,560.00 principal amount. In the said letter, the 1st Plaintiff asked the 3rd Defendant to surrender the relevant Certificate of CB, and if it had not done so, within 5 days, to arrange for the transfer of the said shares in favour of the 1st Plaintiff, and when all relevant transfer documents have been prepared, to send the transfer documents for the relevant parties to sign.*
- ‘7. *On ...* [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.