

**CHINA ENERGY DEVELOPMENT HOLDINGS LTD:  
YOU ASKED FOR IT, SO HERE IT IS**

Management of [China Energy Development Holdings Ltd \(\)](#) (Code: 228, Main Board, The Stock Exchange of Hongkong Ltd) gave full licence to United Simsen Securities Ltd () to sue the publicly listed company and so, today, United Simsen has acquiesced.

And here has come Action, Number 1070 of 2014, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

This is an Action between:

United Simsen Securities Ltd,  
a wholly owned subsidiary of  
Simsen International Corporation Ltd  
([]) (Code: 993, Main Board,  
The Stock Exchange of Hongkong Ltd)

Plaintiff

And

China Energy Development Holdings Ltd

Defendant

The General Indorsement of Claim, attached to the Writ of Summons, states:

*'The Plaintiff's claim is for (1) the sum of HK\$3,010,025.60; (2) the reimbursement of all costs and expenses incurred under Clause 6.2(b) and (c) of the Placing Agreement; and (3) indemnity against all claims, damages, costs and expenses from the Placees cause by the Defendant's unilateral breach of the Placing Agreement dated 9<sup>th</sup> May 2014 between the Plaintiff and the Defendant together with Interest and Costs.'*

It is not too often that a publicly listed company encourages another company to sue it, but that is exactly the situation in respect of this Action.

On May 9, 2014, China Energy Development announced that it had engaged United Simsen Securities Ltd to assist in

***'(I) PLACING OF NEW SHARES UNDER GENERAL MANDATE***

***AND***

***(II) OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR  
EVERY FOUR EXISTING SHARES HELD ON THE RECORD DATE  
AT HK\$0.095 PER OFFER SHARE'***

Then, on May 21, 2014, China Energy Development published the following announcement:

*'Reference is made to the announcement of China Energy Development Holdings Limited (the*

*“Company”) dated 9 May 2014 in relation to, among other things, the Placing and the announcement of the Company dated 19 May 2014 in relation to the trading halt (the “Announcements”). Capitalised terms used in this announcement shall have the same meaning as defined in the Announcements unless the context requires otherwise.*

#### ***‘TERMINATION OF PLACING AGREEMENT***

*‘The Board announces that the Company has unilaterally terminated the Placing Agreement with immediate effect on 21 May 2014 (the “Termination”). Subsequent to the Termination, the Placing Agent may claim against the Company for fees and commission pursuant to the Placing Agreement. No new Shares will be issued by the Company under the Placing Agreement accordingly.*

*‘The Board believes that despite the potential risk of litigation, the Termination has no material adverse financial impact on the existing business and financial position of the Group. The Board is of the view that it would be more beneficial to the Company and the Shareholders as a whole if the new investors are to come from the energy sectors, than otherwise through the Placing. The Company will keep the market informed by way of announcement in compliance with the requirements of the Listing Rules as and when appropriate.*

#### ***‘RESUMPTION OF TRADING***

*‘At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 19 May 2014 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 22 May 2014 following the publication of this announcement.’*

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