

**CYPRESS JADE AGRICULTURAL HOLDINGS LTD:
WHAT SHALL WE DO ABOUT THIS SITUATION ?**

The Chairman of Cypress Jade Agricultural Holdings Ltd () (Code: 875, Main Board, The Stock Exchange of Hongkong Ltd) is in a bit of a quandary as to what action he and/or his Company should take in the wake of the filing in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) of Writ of Summons, Number 2374 of 2014.

Writ of Summons, Number 2374, was lodged in the HKSAR High Court, last Thursday (November 20), the Plaintiff, being Ms Luo Jun Hui ().

Ms Luo Jun Hui is the wife of Mr Yang Jian Zun (), the 48 year-old, Executive Director of Cypress Jade.

Mr Yang Jian Sun is, also, a rather high-flyer in certain political circles in the HKSAR where he is a member of the Chinese People's Political Consultative Conference (CPPCC) of Nanchang, Jiangxi Province (), as well as being a member of the CPPCC of Conghua City (), the Economic Advisor of Conghua City (), and an Executive Director of the Association of Private Enterprises of Conghua City ().

In an official Company announcement, published at 6.04 pm, last Sunday (November 23, 2014), headlined '**INSIDE INFORMATION – LEGAL PROCEEDINGS**', Chairman Michael Wu Wai Chung () informed shareholders of Cypress Jade that the Company '*is unable to assess the potential financial impact of the Plaintiff's claim ...*' in respect of Writ of Summons, Number 2374.

After acknowledging receipt of the Writ of Summons, Chairman Michael Wu Wai Chung said:

'On 21 November 2014, the Company received a generally endorsed writ of summons (the "Writ") issued by a Class B preference shareholder of the Company (the "Plaintiff") and the Writ was filed at the High Court of Hong Kong on 20 November 2014. According to the Writ, the Plaintiff claims for (1) the conversion of 280,000,000 Class B preference shares in the Company held by the Plaintiff into 280,000,000 ordinary shares in the Company; (2) the loss of profit occasioned by the failure of the Company to perform the said conversion; and (3) interests (sic), costs and such further and/or other relief as the court shall deem appropriate.

'The Company is currently seeking legal advice as to the appropriate course of action in respect of the Plaintiff's claim. Since the Writ does not contain sufficient information for the board of directors of the Company (the "Board") to assess the amount of the Plaintiff's claim, the Board is unable to assess the potential financial impact of the Plaintiff's claim towards the Company at this moment.

'The Company will update shareholders and investors on any further developments in compliance with the Listing Rules and Part XIVA of the SFO and Rule 13.09 of the Listing Rules as and when appropriate.

'Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.'

Writ of Summons, Number 2374, Indorsement of Claim attached, is relatively short as usual Writs of Summons go these days, stating only:

‘The Plaintiff’s claims are for:

- (a) The conversion of 280,000,000 Class B preference shares in the Defendant held by the Plaintiff into 280,000,000 ordinary shares in the Defendant pursuant to Clause (8B)(1)(ii) of the Memorandum of Association and Bye-Laws of the Defendant.*
- (b) Loss of profit occasioned by the failure of the Defendant to perform the said conversion.*
- (c) Interests.*
- (d) Costs.*
- (e) Such further and/or other relief as this Honourable Court shall deem appropriate.’*

The 2014 Interim Report

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