

**CHINA NATIONAL CULTURE GROUP LTD:
HIGH COURT WRIT ALLEGES A SWINDLE**

Publicly listed China National Culture Group Ltd () (Code: 745, Main Board, The Stock Exchange of Hongkong Ltd) has been sued for \$HK14.80 million as well as for Breaches of Fiduciary Duties.

In Action Number 266, filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Ms Xie Chun Ling () and Mr Xu Jie Xin (), the First and Second Plaintiffs, respectively, have accused China National Culture of having diddled them out of their money and their respective rights in respect of two, purported agreements to purchase 80 million shares in the Issued Share Capital of the company at the aggregate cost of \$HK14.80 million.

According to **TARGET**'s calculations, the two Plaintiffs make the claim that they agreed to purchase their share tranches – 50 million shares and 30 million shares, respectively – at the cost per share of 18.50 cents.

The share price, today, is about 12.20 cents.

The amount of 80 million shares is equivalent to about 0.99 percent of the entire Issued Share Capital of China National Culture, as at February 2, 2015.

One of the terms of two share agreements, both dated November 27, 2014, (referred to in the Writ of Summons as the Xie Stock Sale and the Xu Stock Sale) required that the Plaintiffs deposit, in aggregate, \$HK14.80 million in the bank account of Real Honor Investments Ltd, held in the Hongkong and Shanghai Banking Corporation, Account Number 004-640148953-001, on November 27, 2014. (Statement of Claim, attached to the Writ of Summons: Paragraphs Three, Four and Five)

According to the Property Database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, on October 10, 2011, Real Honour Investments Ltd purchased a piece of property at Jardine's Lookout at the cost \$HK18 million.

The details of this purchase are as follows:

Flat B, 9/Floor,
Linden Height,
Number 11, Boyce Road,
Jardine's Lookout,
Hongkong Island.

Paragraph Seven of the Statement of Claim alleges that China National Culture '*failed and/or refused to complete the required share transfer procedure transferring the subject share, or any share in the Company at all, under the Agreements respectively to the 1st Plaintiff and the 2nd Plaintiff*'.

The Statement of Claim, then, continues to tell the story from the point of view of the two Plaintiffs:

'8. The said refusal and/or failure to transfer the subject shares under the Agreement to the 1st

Plaintiff and 2nd Plaintiff, despite their repeated demands, also constituted a breach of Clause 3 of the 2 Declarations of Trust, which were executed by the Defendant simultaneously with the Agreements on 27th November 2014, respectively in favour of the 1st Plaintiff and the 2nd Plaintiff.

‘9. Further ... [CLICK TO ORDER FULL ARTICLE](#)

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