

**GENVON GROUP LTD:  
SHAREHOLDER CLAIMS HE HAS BEEN BILKED**

**And Former Chairman Cashes In, Banking \$HK166 Million**

Lucky Creation Ltd (), a company that is domiciled in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), has issued an Action in the HKSAR High Court, naming as the two Defendants:

Genvon Group Ltd ()  
Mr Wang Zheng Chun ()

First Defendant  
Second Defendant

The First Defendant is a publicly listed company in the HKSAR, being Stock Code, Number 2389, Main Board, The Stock Exchange of Hongkong Ltd.

The Second Defendant was the former Executive Chairman as well as being the former Chief Executive Officer and Controlling Shareholder of the First Defendant, but who has been, today, redesignated as an Executive Director of Genvon Group Ltd.

Writ of Summons, Number 1151 of 2015 (Statement of Claim, attached), alleges that Lucky Creation Ltd, the Plaintiff, is principally engaged in a variety of businesses, ranging from trading, technology research and development, and corporate investment.

Paragraphs Four and Five of the Statement of Claim allege:

- '4. On about 17th January 2014, the Plaintiff and the 1st Defendant entered into a Subscription Agreement () (the "**Subscription Agreement**"). Under the Subscription Agreement, the Plaintiff agreed with the 1st Defendant to subscribe (the "**Subscription**") for up to 800,000,000 shares (the "**Subscription Shares**") at HK\$0.325 per share (the "**Subscription Price**") at the aggregate price of HK\$260,000,000 of the 1st Defendant which in all represent a proportion of 18.91% of the then existing issued share capital of the 1st Defendant and approximately a proportion of 15.9% of the issued share capital of the 1st Defendant as enlarged by the allotment and issue of the such shares to the Plaintiff within a period of six (6) months.*
- '5. Before entering into the Subscription Agreement, the 2nd Defendant for himself and/or on behalf of the 1st Defendant represented to and agreed with the Plaintiff that upon allotment and issue of the Subscription Shares, the Plaintiff would be ultimately entitled to approximately 18.91% of the issued share capital of the 1st Defendant and approximately 15.9% shareholding in the 1st Defendant as enlarged by such allotment and issue, effectively placing the Plaintiff as the second largest shareholder of and in the 1st Defendant (the "**Representation and Agreement**"). Induced by and acting in reliance upon the Representation and Agreement made by the 2nd Defendant, the Plaintiff was induced to enter into the Subscription Agreement.'*

Paragraph Six of the Statement of Claim alleges that the reason, given by Genvon Group Ltd for the sales of the 800 million shares at 32.50 cents per share, was to broaden the shareholder and capital base of the

Company and that the net proceeds from the share sales would be about \$HK256 million.

Paragraph Eight of the Statement of Claim alleges that, on January 22, 2014, Genvon Group Ltd ‘*received notices from the subscribers of the Unlisted Warrants to subscribe (for) an aggregate of 400,000,000 warrant shares at the subscription price of HK\$0.22 per new share.*’

(The unlisted warrants were issued in 2013, about one year prior to the January 17, 2014 Subscription Agreement with regard to the proposed sales of 800 million shares. These unlisted warrants were issued in order to raise about \$HK290,000 for Genvon Group Ltd ‘*with respect to the issue of the warrants*’ and \$HK88 million ‘*with respect to the expected exercise of the warrants*’, Paragraph 6.(3) states.)

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