

**PING SHAN TEA GROUP LTD:  
THE YEARLY FILING OF WRITS AGAINST CAI FAMILY MEMBERS**

Almost the entire senior management of publicly listed Ping Shan Tea Group Ltd () (Code: 364, Main Board, The Stock Exchange of Hongkong Ltd) has been sued for more than 20 million renminbi (about \$HK25 million).

The quartet of the senior management, three of whom are brothers (Messrs Cai Zhen Rong, Cai Zhen Yao and Cai Zhen Ying), with Mr Cai Yang Bo, being the son of Mr Cai Zhen Rong), in aggregate, own 56.55 percent of the Issued and Fully Paid-Up Share Capital of Ping Shan Tea, that figure of 56.55 percent includes Conversion Shares and Share Options.

According to the 2014 Annual Report of Ping Shan Tea, the largest single shareholder of this company is Executive Chairman Cai Zhen Rong who owns 44.28 percent of the Issued and Fully Paid-Up Share Capital via Ms Su Li Yuan (), his wife, and Smart Fujian Group Ltd, Mr Cai Zhen Rong's privately owned company, domiciled in the British Virgin Islands that is deemed to be the Ultimate Holding Company.

In the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Writ of Summons, Number 1449 has been filed between:

Mr Qiu Huang Le ()

Plaintiff

and

Mr Cai Zhen Rong ()<sup>1</sup>

First Defendant

Mr Cai Zhen Yao ()<sup>3</sup>

Second Defendant

Mr Cai Yang Bo ()<sup>2</sup>

Third Defendant

Mr Cai Zhen Ying ()<sup>3</sup>

Fourth Defendant

Fifth Defendant

1. The Second Defendant is the Executive Chairman of Ping Shan Tea.
2. The Fourth Defendant is the Managing Director of Ping Shan Tea.
3. The Third and Fifth Defendants are Executive Directors of Ping Shan Tea.

(The Plaintiff and the First Defendant have not been identified, other than their names, in this Writ of Summons.)

The Statement of Claim, attached to Writ of Summons, Number 1449, alleges, at Paragraph Two, that the First Defendant is indebted to the Plaintiff in the sum of 20 million renminbi '*as evidenced by a cash instalment repayment agreement () in writing entered into amongst the 1<sup>st</sup> Defendant as the principal debtor and the 2<sup>nd</sup> to 5<sup>th</sup> Defendants as the guarantors dated 4 September 2014 (the "Agreement") ...*'.

It is alleged at Paragraph Three that the repayment schedule with regard to the alleged 20 million-renminbi loan would be:

November 30, 2014  
December 31, 2014  
January 31, 2015

Five million renminbi  
Five million renminbi  
Five million renminbi

April 30, 2015

Five million renminbi

At Paragraph Five of the Statement of Claim, it is alleged that, in the event of any default in the repayment schedule, *'the total indebtedness is deemed to be due and payable and the Plaintiff may demand the Defendants to repay the full amount of the Indebtedness as well as cost and interest ...'*.

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