

**CHINA POLYMETALLIC MINING LTD:
A FIGHT HAS BROKEN OUT OVER A SHARE-PRICE GUARANTEE**

A fight has broken out between the Majority Shareholders of China Polymetallic Mining Ltd () (Code: 2133, Main Board, The Stock Exchange of Hongkong Ltd) and a former material shareholder with regard to a purported share-price guarantee return at the time of the company's Initial Public Offering (IPO), going back to December 14, 2011.

Mr Chen Guo Wen (), the Plaintiff in Action, Number 1693, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is suing five Defendants for \$HK32,500,179.93.

The five Defendants are:

| | |
|-------------------------------------|------------------|
| Ran Xiao Chuan () | First Defendant |
| Ran Cheng Hao () | Second Defendant |
| Silver Lion Investment Holdings Ltd | Third Defendant |
| Magic Delight Ltd | Fourth Defendant |
| Total Flourish Ltd () | Fifth Defendant |

The First Defendant is the father of the Second Defendant and the First Defendant is the Chairman and Executive Director of China Polymetallic Mining Ltd.

The Statement of Claim, attached to Writ of Summons, Number 1693, alleges that the Third Defendant was wholly owned by the Fourth Defendant which, in turn, is ultimately owned by Cititrust (Singapore) Ltd. This is a trust, established for members of the Ran Family, the members of which include the First and Second Defendants.

According to the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, as at December 31, 2014, The Third Defendant owned 25.95 percent of the Issued and Fully Paid-Up Share Capital of China Polymetallic Mining Ltd.

The Fifth Defendant, which is domiciled in the British Virgin Islands, is wholly owned by the Second Defendant.

Starting at Paragraph Six of the Statement of Claim, details of an alleged '*oral agreement made between the Plaintiff and the 1st Defendant and the 2nd Defendant*' is described in some detail, along with explanations and arithmetic calculations of that which is, allegedly, owed to the Plaintiff.

- '6. *At all material times, by an oral agreement made between the Plaintiff and the 1st Defendant and the 2nd Defendant, acting on his own behalf and on behalf of the 3rd, 4th and 5th Defendants on or about end of November or early December 2011, in consideration of the Plaintiff agreed to use his margin account held with BOCI Securities Limited () ("the Margin Account") and agree to subscribe for such number of shares of China Polymetallic representing the total price of around USD10,000,000.00 at its initial listing price in support of their plan for initial public offer of the shares of China Polymetallic, in the event if the Plaintiff suffers any loss after one year as a result*

of entering into the subscription agreement and/or by reason of sale within that year, including interest payable under the Margin Account and any loss as a result of fall in price of the subscribed shares, the Defendants will compensate the Plaintiff for such loss (“the 1st Oral Subscription Agreement”).

- ‘7. By another oral agreement made on end of November or early December 2011, between the Plaintiff and the 1st Defendant and the 2nd Defendant, acting on his own behalf and on behalf of the 3rd, 4th and 5th Defendants, the Plaintiff agreed to subscribe for the shares of the China Polymetallic in the sum of around USD10,000,000.00 as agreed. It was guaranteed by the Defendants that Plaintiff shall be entitled to a return on the investment of not less than 15% within one year for the subscription (“the 2nd Oral Subscription Agreement”). The 1st and 2nd Oral Subscription Agreements were evidenced in writing by an agreement for subscriptions of shares entered into and/or recorded by the parties dated 16th December 2011 (“the Written Subscription Agreement”) (the 1st and 2nd Oral Subscription Agreements and Written subscription Agreement are hereinafter collectively called “the Subscription Agreement”).*
- ‘8. It is an express term of the written Subscription Agreement that if the Plaintiff, 365 days after the subscription of the Shares, achieved accumulated return of less than 15% or incurred loss, the Defendant shall within one month, i.e. 14th January 2013, compensate the Plaintiff the said return of 15% and USD 1.5 million as accumulated return.*
- ‘9. It was further agreed by the Plaintiff that*
- (i) in the event if the market price of the subscribed shares is higher than their price of issue for 15% or more, the Plaintiff shall be entitled to sell all or part of the said Shares.*
 - (ii) In the event if the market price of the said shares is less than 15% of their price of issue, and if Plaintiff sells the subscribed shares, thereafter buy back the same at a lower price, the corresponding profit and loss shall be taken into account for calculation of the accumulated return.*
 - (iii) In the event if the Plaintiff does not wish to sell all or part of the said shares, the price of the unsold shares shall be measured by reference to the closing price as at 14th December 2012 for calculation of accumulated return.*
 - (iv) Any dividend received before 14th December 2012 shall be taken into account for calculation of the accumulated return.*

‘10. Further and/or in ... [CLICK TO ORDER FULL ARTICLE](#)

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