

MEITU INCORPORATED:
TWO SUBSTANTIAL SHAREHOLDERS
SUED FOR MORE THAN \$HK327 MILLION

Two Substantial Shareholders of Meitu Incorporated () (Code: 1357, Main Board, The Stock Exchange of Hongkong Ltd) have been sued for not less than \$HK327 million in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

According to the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, as at December 31, 2017, Mr Chen Jia Rong () beneficially owned 11.17 percent of the entire Issued and Fully Paid-Up Share Capital of Meitu Incorporated.

Since his equity holdings in Meitu Incorporated is greater than five percent of the Issued and Fully Paid-Up Share Capital of this Company, he is deemed a Substantial Shareholder.

Mr Chen Jia Rong is the First Defendant in Writ of Summons, Number 101 of 2019, lodged in the HKSAR High Court on Friday, January 18, 2019.

The Second Defendant to this Action is Kingkey Enterprise Holdings Ltd (), also a Substantial Shareholder of Meitu Incorporated.

The 2017 Annual Report of Meitu Incorporated, published on April 26, 2018, indicates that Kingkey Enterprise Holdings Ltd, as at December 31, 2017, beneficially owned 9.79 percent of the entire Issued and Fully Paid-Up Share Capital of Meitu Incorporated.

However, according to the Shareholding Database of **TOLFIN**, on July 10, 2017, Kingkey purchased 102.50 million shares in the Issued Share Capital of Meitu Incorporated, lifting its equity position in the Company to about 14.20 percent.

Kingkey paid about \$HK871.25 million for those 102.50 million Shares, according to **TOLFIN**.

Included in the recitals of Writ of Summons, Number 101 of 2019, is that the address of Mr Chen Jia Rong was given in the following manner:

‘The 1st Defendant CHEN JIARONG (), his usual and last known address is Flat A, 45th Floor, Residence Bel-air, Phase 2, South Tower 7, 38 Bel-air Avenue, Pok Fu Lam, Hongkong.’

With regard to the Second Defendant, Kingkey Enterprise Holdings Ltd, its Registered Office is given as being in the **British Virgin Islands (BVI)**, but its Principal Place of Business is in the HKSAR, the address of which was given as being:

Convention Plaza,
Number One, Harbour Road,
Wanchai,
Hongkong Island,
The HKSAR.

However, in the recitals, it is, also, stated about Kingkey Enterprise Holdings Ltd that *‘its process agent’* is Mr Chen Jia Rong of Pokfulam, Hongkong Island.

The Plaintiff in Action, Number 101 of 2019, is HEC Finance 03 Ltd (03), a company, incorporated in the HKSAR.

It *‘was a licensed money lender ... at the time of the making of the Facility ...’*, it has been claimed in the Statement of Claim, attached to the Writ of Summons.

The Statement of Claim, under the heading, ***‘The Loan Agreement between the Plaintiff as Lender and Zhang Yongdong as Borrower’***, makes the following allegations:

*‘3. On 20 April 2018, the Plaintiff (as Lender) entered into a loan agreement (the “**Loan Agreement**”) with one Mr. Zhang Yongdong (the “**Borrower**”) whereby the Plaintiff agreed to make available to the Borrower a loan facility of up to HK\$300 million (the “**Facility**”).’*

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