

**CHINA HEALTH GROUP LTD:**

**SABERS AT TH E READY –**

**STAND BY FOR THE RIPOSTE, DR LI ZHONG YUAN !**

The Chairman of Manfield Chemical Holdings Ltd (), Dr Li Zhong Yuan (), is the First Defendant in Case, Number 547 of 2019.

This Case, recently lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), in which the Plaintiff, China Health Group Ltd () (Code: 673, Main Board, The Stock Exchange of Hongkong Ltd), is seeking damages and/or equitable compensation from Dr Li Zhong Yuan.

The Second Defendant to this Action is Capital Foresight Ltd and, from this Defendant, the Plaintiff is seeking damages and/or equitable compensation, also.

As at today's date, Management of Manfield Chemical Holdings Ltd () (Code: 1561, Main Board, The Stock Exchange of Hongkong Ltd) has not made mention of High Court Action, Number 547 of 2019, or the fact that the Company's Chairman is the First Defendant.

In the Indorsement of Claim, attached to Writ of Summons, Number 547 of 2019, it is claimed by the Plaintiff:

*'In HCA 2549 of 2017 ("HCA 2549"), the Plaintiff, China Health Group Limited, claims that the 1st Defendant, Li Zhong Yuan, purported to enter into an agreement dated 23 November 2012 (the "**November 2012 Agreement**") with the 2nd Defendant, Capital Foresight Limited, on behalf of the Plaintiff. The 1st Defendant purported to execute the November 2012 Agreement in breach of his duties (including fiduciary duties) as a director of the Plaintiff and without the authority of the Plaintiff.*

*‘The Plaintiff further claims in HCA 2549 that the 2nd Defendant knew that the 1st Defendant had no authority to enter into November 2012 Agreement, or alternatively was reckless or irrational as to whether the 1st Defendant had such authority. Accordingly, the November 2012 Agreement was and is void or voidable and unenforceable.*

*‘The Plaintiff further claims in HCA 2549 that the 1st Defendant purported to execute a loan note purportedly dated 1 August 2015 (the “**Loan Note**”) on behalf of the Plaintiff under the Plaintiff’s common seal, in the sum of US\$4,000,000 in favour of Li Hong Holdings Limited (“**LHHL**”), purportedly pursuant to the November 2012 Agreement. The 1st Defendant purported to execute the Loan Note in breach of his duties (including fiduciary duties) as a director of the Plaintiff, inconsistently with the Plaintiff’s articles of association, and without the authority of the Plaintiff.*

*‘The Plaintiff further claims in HCA 2549 that LHHL knew that the 1st Defendant had no authority to execute the Loan Note, or alternatively was reckless or irrational as to whether the 1st Defendant had such authority. Accordingly, the Loan Note was and is void or voidable and unenforceable.*

*‘The Plaintiff further or alternatively claims in HCA 2549 damages and/or equitable compensation against the 1st Defendant arising from the aforesaid breaches of his duties (including fiduciary duties) as a director of the Plaintiff.*

*‘In this Action, if, which is denied, in fact any one or more of various agreements dated 31 March 2013, 28 June 2013 and 30 June 2014 (the “**3 Supplemental Agreements**”) oblige the Plaintiff to issue a US\$4,000,000 promissory note (the “**US\$4M Promissory Note**”) and the Plaintiff is liable to be ordered to issue the same, the Plaintiff claims that the agreement(s) in question were purportedly entered into by the 1st Defendant in breach of his duties (including fiduciary duties) as a director of the Plaintiff, and claims damages and/or equitable compensation against the 1st Defendant arising from the said breaches of his duties (including fiduciary duties).*

*‘Further or alternatively, if, which is denied, the Plaintiff is liable to issue the US\$4M Promissory Note to the 2nd Defendant under the November 2012 Agreement and/or any one or more of the 3 Supplemental Agreements and is liable to be ordered to issue the same, the Plaintiff claims in this Action that the 2nd Defendant is liable to pay the Plaintiff the sum of US\$4,000,000, alternatively damages or equitable compensation to be assessed, due to the 2nd Defendant’s dishonest assistance of the 1st Defendants’ breaches of fiduciary duties.*

*‘AND THE PLAINTIFF CLAIMS against the Defendants for:*

- ‘1. In the event that, contrary to the Plaintiff’s denial of liability, the Plaintiff is liable to issue the US\$4M Promissory Note, damages and/or equitable compensation as against the 1st Defendant;*

- ‘2. *In the event that, contrary to the Plaintiff’s denial of liability, the Plaintiff is liable to issue the US\$4M Promissory Note to the 2nd Defendant, damages and/or equitable compensation as against the 2nd Defendant;*
- ‘3. *Interest;*
- ‘4. *Costs;*
- ‘5. *Further or other relief.’*

### **Dr Li Zhong Yuan Is No Virgin To Parrying Litigation**

Dr Li Zhong Yuan ... [CLICK TO ORDER FULL ARTICLE](#)

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