

TARGET

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ASIA TELEVISION HOLDINGS LTD:

THIS LADY IS NOT VERY HAPPY

And She Demands \$HK19 Million

Ms Yang Xiao Qiu (), the Chairperson of China Investment Development Ltd () (Code: 204, Main Board, The Stock Exchange of Hongkong Ltd) has sued Asia Television Holdings Ltd () (Code: 707, Main Board, The Stock Exchange of Hongkong Ltd) and one of its wholly owned subsidiaries, Co-Prosperity Investment (International) Ltd ([]), for \$HK19 million.

Ms Yang Xiao Qiu is the Plaintiff in Action Number 911 of 2020, lodged in the High Court of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

The two Defendants to this High Court Action are:

Co-Prosperity Investment (International) Ltd

First Defendant

Asia Television Holdings Ltd

Second Defendant

In the one-paragraph Endorsement of Claim, attached to Writ of Summons, Number 911, the Plaintiff makes the following claims against the two Defendants:

- ‘1. *The Plaintiff’s claim against the 1st and 2nd Defendants is brought under the Sale and Purchase Agreement (the “SPA”) entered into on 16th July 2018 between the Plaintiff, as the Purchaser, the 1st Defendant, as Vendor, and the 2nd Defendant, as the owner of the 1st Defendant, pursuant to which the Plaintiff had paid a sum of HK\$19,000,000.00 to the 1st Defendant as the deposit of the SPA where the Plaintiff agree to purchase and the 1st Defendant agree to sell 15,000,000 shares in the share capital of Million Federal International Limited (the “Company”)*

‘AND THE PLAINTIFF CLAIMS AGAINST THE 1ST AND 2ND DEFENDANTS FOR:

- ‘(a) *The sum of the HK\$19,000,000.00 to the Plaintiff referred to in paragraph 1 above;*
- ‘(b) *Interest pursuant to sections 48 and 49 of the High Court Ordinance, Cap. 4 as the Court may deem fit;*
- ‘(c) *Further or other relief; and*
- ‘(d) *Costs.’*

This matter does not end here, it seems, however, because, on Tuesday, May 26, 2020, Asia Television Holdings Ltd published an announcement to its shareholders, headlined:

**‘DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF
MILLION FEDERAL INTERNATIONAL LIMITED’**

The gist of this Announcement was stated at Paragraph One in the following terms:

‘The Board (of Directors) is pleased to announce that, on 26 May 2020 (after trading hours), the Vendor has entered into the Agreement with the Purchaser, pursuant to which

the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 60% of the entire issued share capital of the Target Company (Million Federal International Ltd []), at the Consideration of HK\$62,000,000 (subject to adjustment), which shall be paid to the Vendor at the Completion Date by cash.'

The 'Vendor', in the above paragraph, is identified at Page Six of the Announcement as being Co-Prosperity Investment (International) Ltd, a company, domiciled in the **British Virgin Islands (BVI)** and being a wholly owned subsidiary of Asia Television Holdings Ltd.

As for the 'Purchaser', it is identified at Pages Four and Six of the Announcement as being O.S.R. Advisory Ltd (), a company, incorporated in the HKSAR. This company is said to be beneficially owned as to 60 percent by Mr Leung Wai Kwan () and 40 percent by Ms Mina Lai Pou Lam ().

With regard to the 'Sale Shares', that is 60 percent of the entire Issued and Fully Paid-Up Share Capital of Million Federal International Ltd (), a company, incorporated in the HKSAR, appears to coincide, exactly, with the 15 million shares in the Issued Share Capital of Million Federal International Ltd, mentioned prominently in the Endorsement of Claim, attached to Writ of Summons, Action Number 911 of 2020, in the penultimate line of Paragraph One.

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