

TARGET

Intelligence Report

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T U E S D A Y

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**ZHONGTAI INTERNATIONAL WEALTH MANAGEMENT LTD:
THIS SUBSIDIARY OF A
MULTIBILLION, HONGKONG-DOLLAR COMPANY
IS CLAIMING \$HK5.33 MILLION FROM THREE DEFENDANTS**

**But There May Be More To This
Legal Action Than, Readily, Meets The Eye**

Zhongtai International Wealth Management Ltd (中泰國際優越理財有限公司), a company, incorporated in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, has lodged a Claim in the HKSAR High Court, Action Number 1088 of 2021, claiming not less than \$HK5.33 million from the below-named Defendants.

The Defendants have been named as being:

Ms Zhang Cui Wei (張翠薇)	First Defendant
Sun Yu Ning (孫宇寧)	Second Defendant
Chan Ping Che (陳秉志)	Third Defendant

The First Defendant is said to have an address at:

House 51, Number 123, Shi Hua Dong Lu,
Jida,
Xiang Zhou Qu,
Zhuhai,
Guangdong Province,
The PRC.
(中國廣東省珠海市香洲區吉大石花東路 123 號 51 棟別墅)

The Second Defendant is said to have an address at:

Tian Jin Shi He Ping Qu Rong Ye Da Jie,
He Zha Kou Jie Jiao Kou Xin Hui Hua Ting,
Number Eight, Hao Lou 2704,
China 3000000.
(中國天津市和平區榮業大街和閘口街交口新匯華庭 8 號樓 2704, 郵編 300000)

The Third Defendant is said to have an address at:

Number 188, Victoria Road,
Mount Davis,
Hongkong Island,
The HKSAR.

The Indorsement of Claim, attached to Writ of Summons, Number 1088 of 2021, makes the following claims against the three Defendants:

- '1. *The Plaintiff ZHONGTAI INTERNATIONAL WEALTH MANAGEMENT LIMITED is a company incorporated in Hong Kong.*
- '2. *ROYAL MOON INTERNATIONAL COMPANY LIMITED ("**Royal Moon**") is a company incorporated in Hong Kong and is a bare shelf company used as an investment vehicle by Ms. Gao Yan (高衍).*
- '3. *CHINA KINGSTONE MINING HOLDINGS LIMITED (the "**ListCo**") is a company incorporated in the Cayman Islands and listed on the main board of the Hong Kong Stock Exchange (stock code: 1380).*
- '4. *The Plaintiff, Royal Moon and the ListCo orally agreed to a trust arrangement (the "**Trust Arrangement**") whereby funds loaned by the Plaintiff to Royal Moon would be held on trust by Royal Moon and the ListCo for the Plaintiff save and except for being applied towards Royal Moon's underwriting obligation (the "**Underwriting Purpose**") under an underwriting agreement dated 13 May 2015 between the ListCo and Royal Moon, pursuant to which Royal Moon was obliged to subscribe to unsubscribed shares under an open share offer to raise approximately HK\$120 million (specifically, 1,213,379,318 shares at HK\$0.10 each) (the "**Open Offer**").*
- '5. *The Trust Arrangement is partly evidenced in writing by, amongst others, loan documents with Royal Moon and Royal Moon's internal corporate documents, and is otherwise fully evidenced by the parties' conduct by, amongst others,*
 - 5.1 *the monies drawn down under the loan facility was paid directly into the bank account of the ListCo opened specifically for the purposes of the Open Offer (the "**Open Offer Bank Account**"), instead of into Royal Moon's account.*
 - 5.2 *the ListCo did cause the mandate of its Open Offer Bank Account to be changed such that the Plaintiff's director Mr. Zhang Yanfeng (張延峰) ("**Mr. Zhang**") was added as a signatory, and such that Mr. Zhang's signature was required for any transaction on the Open Offer Bank Account.*
- '6. *Under the Trust Arrangement, there were inter alia the following contractual, equitable, and/or fiduciary duties:-*

- 6.1 *The ListCo is not to release the loaned monies in the Open Offer Bank Account save and except for the sole and specific Underwriting Purpose.*
- 6.2 *Royal Moon is not to receive, retain, and/or use the loaned monies save and except for the sole and specific Underwriting Purpose.*
- 6.3 *Further and/or alternatively, a Quistclose trust arose in favour of the Plaintiff.*
- ‘7. *On 23 June 2015, it was understood from the ListCo that 668,040,194 shares would be unsubscribed for under the Open Offer, and Royal Moon as underwriter would therefore be obliged to subscribe to those shares at the price of HK\$0.10 per share, at the total price of HK\$66,804,019.40. Accordingly, the sum of HK\$66,850,000 (together with HK\$200,000 for the legal fees and expenses) was asked to be drawn down under the loan facility. In accordance with the Trust Arrangement and Underwriting Purpose, that sum was transferred by the Plaintiff to the Open Offer Bank Account of the ListCo on 25 June 2015.*
- ‘8. *Eventually ...* [CLICK TO ORDER FULL ARTICLE](#)

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