

TARGET

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T U E S D A Y

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CA CULTURAL TECHNOLOGY GROUP LTD: THE COMPANY IS SUED FOR ALLEGED BREACHES OF THE SECURITIES AND FUTURES ORDINANCE

Mr Jason Chong Heung Chung (莊向松), the Chairman of the Board of Directors of CA Cultural Technology Group Ltd (華夏文化科技集團有限公司) (Code: 1566, Main Board, The Stock Exchange of Hongkong Ltd), has been sued in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

In addition, CA Cultural Technology Group Ltd has, also, been sued in the HKSAR High Court, with this publicly listed company, being named as the First Defendant, while Mr Jason Chong Heung Chung has been named as the Second Defendant in HKSAR High Court Action, Number 1618 of 2021.

ACCP Global Ltd, the Plaintiff to this Action, is seeking that which appears to be about \$HK162.54 million plus Damages and Costs from the two Defendants.

About the Plaintiff, it is described in the Indorsement of Claim, attached to Writ of Summons, Number 1618 of 2021, as '*a global investment company.*'

According to the recitals of the Writ of Summons, the Plaintiff is a company, having an office at:

Room 2A, Duke Wellington House,
Numbers 14-24, Wellington Street,
Central Hongkong,
The HKSAR.

With regard to Mr Jason Chong Heung Chung, he is said, in the recitals of the Writ of Summons, as having a residence at:

House 168,
Number 23, Sam Mun Tsai Road,
The Beverly Hills,
Boulevard Du Lac,
Tai Po, New Territories,
The HKSAR.

TOLFIN's database indicates that, as at September 30, 2021, Mr Jason Chong Heung Chung had a beneficial interest in the total equity of CA Cultural Technology Group Ltd, amounting to 29.21 percent of the entire Issued and Fully Paid-Up Share Capital of the Company.

The Indorsement of Claim, attached to Writ of Summons, Number 1618 of 2021, is hereby reproduced verbatim:

- '1. The Plaintiff is a global investment company.*
- '2. The 1st Defendant is a company listed on the Main Board of the Hong Kong Stock Exchange with Stock Code . 1566. (sic)*
- '3. The 2nd Defendant is, at all material times, a director and the ultimate controlling shareholder of the 1st Defendant.*
- '4. The Plaintiff, induced by and acting in reliance on the misrepresentations of the 1st Defendant, including but not limited to misrepresentations made through the 2nd Defendant, entered into a Share Subscription Agreement (in Chinese) dated 1 September 2021 ("**Share Subscription Agreement**") with the 1st Defendant, whereby the Plaintiff agreed to subscribe for 86,000,000 shares of the 1st Defendant at the subscription price of HK\$2.50 per share on the terms and conditions set out therein.*
- '5. The 1st and/or 2nd Defendant made the misrepresentations fraudulently, recklessly or negligently, and in breach of Section 108 of the Securities and Futures Ordinance., Cap. 571 of the Laws of Hong Kong.*

'AND THE PLAINTIFF CLAIMS :-

'(1) against the 1st Defendant :

- (a) Declaration that the Plaintiff has validly rescinded the Share Subscription Agreement, alternatively, rescission of the Share Subscription Agreement;*

'(2) against the 1st and 2nd Defendant :

- (a) Damages to be assessed pursuant to Section 3 of the Misrepresentation Ordinance (Cap. 284) and/or Section 108(7) of the Securities and Futures Ordinance (Cap. 571);*
- (b) Costs;*
- (c) Interest on the damages pursuant to sections 48 and 49 of the High Court Ordinance, Cap 4 and/or pursuant to the equitable jurisdictions of the Court; and*
- (d) Such further and/or other relief as this Court may think fit. '*

The Background

On Wednesday, September 1, 2021, CA Cultural Technology Group Ltd announced that, after trading hours, ACCP Global Ltd – hereinafter referred to as the ‘Subscriber’ – ‘entered into the conditional Subscription Agreement pursuant to which the Company (CA Cultural Technology Group Ltd) has conditionally agreed to allot and issue 86,000,000 Subscription Shares at the Subscription Price of HK\$2.50 per Subscription Share.’

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