

# TARGET

## Intelligence Report

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T U E S D A Y

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### **ZHONGRONG INTERNATIONAL ALTERNATIVE ASSET MANAGEMENT LTD: HOW MUCH IS A PERSON'S GUARANTEE WORTH ?**

Zhongrong International Alternative Asset Management Ltd (中融國際另類資產管理有限公司), has lodged a Writ of Summons in the High Court of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, alleging that it was, in a word, 'short-changed', in respect of a purported Sales and Purchase Agreement, going back to January 28, 2016.

Zhongrong International Alternative Asset Management Ltd is a limited liability company, incorporated in the HKSAR on or about October 17, 2014, according to the database of **TOLFIN** (泰達資訊), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider.

Zhongrong International Alternative Asset Management Ltd is suing the following parties:

Asia Health Century International Incorporated  
Mr Jin Dong Tao (金東濤)

First Defendant  
Second Defendant

In the recitals of the Writ of Summons, Number 108 of 2022, it is stated that, with regard to the First Defendant '*whose designated process agent pursuant to a sale and purchase agreement dated 28 January 2016 is Universal Health International Group Holding Limited (大健康國際集團控股有限公司) whose (1) principal place of business in Hong Kong is situate at 2404, 24/F., World-Wide House, 19 Des Voeux Road Central, Hong Kong; and (2) authorized representative in Hong Kong is GE JUNMING (葛俊明) whose usual and last known address in Hong Kong is Flat D, 23<sup>rd</sup> Floor, Young Ya Industrial Building, 381-389 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.*

With regard to the Second Defendant, it is stated in the recitals that his '*designated process agent pursuant to a sale and purchase agreement dated 28 January 2016 and a deed of guarantee dated 28 January 2016 is Universal Health International Group Holding Limited (大健康國際集團控股有限公司) whose (1) principal place of business in Hong Kong is situate at 2404, 24/F., World-Wide House, 19 Des Voeux Road Central, Hong Kong; and (2) authorized representative in Hong Kong is GE JUNMING (葛俊明) whose usual and last known address in Hong Kong is Flat D, 23<sup>rd</sup> Floor, Young Ya Industrial Building, 381-389 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.*

In the Indorsement of Claim, attached to Writ of Summons, Number 108 of 2022, the following is alleged at Paragraph One:

*‘The Plaintiff claims against the 1<sup>st</sup> Defendant pursuant to the sale and purchase agreement entered into between the Plaintiff as the purchaser, the 1<sup>st</sup> Defendant as the seller and the 2<sup>nd</sup> Defendant as the guarantor dated 28 January 2016 (“**the SPA**”) for the sale and purchase of 398,000,000 shares in Universal Health International Group Limited (“**the Sale Shares**”).’*

**TARGET** (泰達財經) noted that, in the recitals of Writ of Summons, ‘*Universal Health International Group Holding Limited*’ was named in respect of matters, concerning the First and Second Defendants, whereas, in the first paragraph of the Indorsement of Claim, the name of the company was given as being ‘*Universal Health International Group Limited.*’

The omission of the word, ‘*Holding,*’ in the fourth line of the First Paragraph of the Indorsement of Claim, is suggestive that there may have been another company involved.

To clarify this point, **TARGET** contacted Ms Irene Lee (李嫩儀), she, claiming to be a solicitor of Li and Partners, Solicitors (李偉斌律師行) for the Plaintiff, being purportedly the solicitor involved in this case, and enquired whether or not the omission of the word, ‘*Holding*’ may have been an accidental omission or, alternatively, there was, indeed, another company, devoid of the word, ‘*Holding.*’

Ms Irene Lee was adamant. She stated that that which was stated in the Writ of Summons, Indorsement of Claim attached, was accurate.

She stated that there was nothing else to be said, having confirmed that this medium, by an open admission, was not, in any way, shape or form, involved in the legal proceedings, or any party(ies) therein, and she bid goodbye, politely.

Taking up the Indorsement of Claim, from Paragraph Two through to the end of the Indorsement, it was stated:

*‘In the event, the Plaintiff only received 186,405,182 shares from the 1<sup>st</sup> Defendant (“**the Received Shares**”). The 211,594,818 shares not received by the Plaintiff shall be referred to as **the Unreceived Shares**.*

*‘On the Plaintiff’s primary case (that the SPA was duly completed), the Plaintiff claims against the 1<sup>st</sup> Defendant for: (1) a declaration and/or indemnity that the 1<sup>st</sup> Defendant is liable to the Plaintiff for the guaranteed profit under the formula as stipulated in Clause 7.1 of the SPA (“**the Guaranteed Profit**”) in respect of the Received Shares upon their future sale, and (2) damages arising from the 1<sup>st</sup> Defendant’s failure to deliver and/or transfer the Unreceived Shares to the Plaintiff, including but not limited to the Guaranteed Profit in respect of the Unreceived Shares.*

*‘Alternatively, if the sale and purchase under the SPA was not completed due to non-compliance of conditions precedent, and/or was terminated for*

*breach, and/or frustrated after completion, the Plaintiff claims against the 1<sup>st</sup> Defendant for: (1) damages arising out of the 1<sup>st</sup> Defendant's breach of the SPA (including but not limited to the Guaranteed Profit in respect of the Sale Shares), (2) restitution for unjust enrichment, (3) a declaration of resulting trust and/or Quistclose trust in respect of all sums paid by the Plaintiff to or to the benefit of the 1<sup>st</sup> Defendant pursuant to the SPA ("**the Payment Sums**"), equitable compensation and an account of profits, and all consequential accounts and inquiries in respect of the Payment Sums and/or their traceable proceeds, and (4) relief pursuant to sections 16 and 17 of the Law Amendment and Reform (Consolidation) Ordinance (Cap.23).*

*'The Plaintiff further claims against the 2<sup>nd</sup> Defendant pursuant to the SPA, and a deed of guarantee executed by the 2<sup>nd</sup> Defendant as guarantor in favour of the Plaintiff dated 28 January 2016 ("**the Guarantee**"), whereby the 2<sup>nd</sup> Defendant, among other things, assumed liability to the Plaintiff in respect of the 1<sup>st</sup> Defendant's obligations arising under or in connection with the performance and breach of the SPA. The Plaintiff seeks payment from the 2<sup>nd</sup> Defendant pursuant to the Guarantee, or alternatively, should the 2<sup>nd</sup> Defendant refuse to comply with such request, for damages for ... [CLICK TO ORDER FULL ARTICLE](#)*

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