



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2022 ()

BETWEEN:

**TAIPING TRUSTEES LIMITED (ON ITS OWN BEHALF AND ON BEHALF OF
VALLEY STONE INDUSTRY FUND, L.P. (IN VOLUNTARY LIQUIDATION))**

Plaintiff

AND

**VALLEY STONE INDUSTRY FUND LTD. (IN ITS OWN CAPACITY AND IN ITS
CAPACITY AS GENERAL PARTNER OF VALLEY STONE INDUSTRY FUND, L.P. (IN
VOLUNTARY LIQUIDATION))**

First Defendant

HUARONG INTERNATIONAL ASSET MANAGEMENT LIMITED

Second Defendant

HUARONG INTERNATIONAL FINANCIAL HOLDINGS LIMITED

Third Defendant

WRIT OF SUMMONS

This Writ was issued by Ogier (Cayman) LLP for the Plaintiff, whose address for service is:
89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands (LVS/CBY/504024.00002)

TO: Valley Stone Industry Fund Ltd. (in its own capacity and in its capacity as General Partner of Valley Stone Industry Fund, L.P. (in voluntary liquidation)) of Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands.

AND TO: Huarong International Asset Management Limited of 10/F, East Wing, China Huarong Tower, 60 Gloucester Road, Wanchai, Hong Kong, China.

AND TO: Huarong International Financial Holdings Limited of Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set out on the next page.

Within 14 days after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 495, George Town, Grand Cayman KY1-1106, the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

Dated this 22nd day of December 2022.

NOTE - This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

IMPORTANT

Directions for Acknowledgment of Service are given with the accompanying form.

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GENERAL INDORSEMENT

- 1 The Plaintiff ("**Taiping Trustees**") claims derivatively as limited partner of the Valley Stone Industry Fund, L.P. (the "**Fund**") and/or on its own behalf against: (a) the First Defendant (the "**General Partner**") the amounts due under Clause 7 and/or Clause 12 of the Amended and Restated Limited Partnership Agreement dated 23 December 2016 as amended by a Supplemental Agreement dated 29 December 2016 (the "**LPA**") and/or an account of the sums due to Taiping Trustees under the LPA, together with orders that the General Partner do pay the sums found to be due on the taking of the said accounts and/or all necessary and/or proper inquiries into what action the General Partner should have taken to comply with Clause 7 and/or Clause 12 of the LPA and/or into what losses were suffered by the Fund and/or Taiping Trustees by reason of such failure and/or non-compliance and/or all necessary orders that the General Partner should undertake to comply with its obligations under the LPA and/or to pay such sums as ought to be paid; (b) the Second Defendant ("**HRAM**") damages for breach of HRAM's Deed of Undertaking dated 29 December 2016 given to Taiping Trustees and/or to the Fund (the "**Deed of Undertaking**") or payment or repayment of the Capital Contribution (as defined in the LPA) and/or all sums due under Clause 7.1 of the LPA and/or an order for specific performance of the Deed of Undertaking and/or, insofar as necessary, rectification of paragraph (1) of the Deed of Undertaking such that the words "the Limited Partner(s)" be substituted with "the Limited Partner(s) and the Taiping Manager" and "Minimum Return" be substituted with "Quarterly Distribution"; and/or (c) the Third Defendant ("**HRIF**") damages for breach of a letter of comfort dated 29 December 2016 (the "**Comfort Letter**") or payment or repayment of the Capital Contribution and/or all sums due under Clause 7.1(c) of the LPA or an order for specific performance of the Comfort Letter.

- 2 Taiping Trustees claims against the General Partner derivatively as limited partner of the Fund and/or on its own behalf damages and/or compensation and/or an account on the footing that the General Partner acted in breach of its fiduciary and/or contractual and/or statutory duties under Section 19 of the Exempted Limited Partnership Act (2021 Revision) when, on behalf of the Fund, it approved and/or, on or about 28 December 2016, concluded: (a) a loan of HK\$475,000,000 to Praiseworthy Global Ltd; and/or (b) a further loan of HK\$475,000,000 to True Dimension Ltd (the "**Loans**"), such funds being advanced to fund a project known as the Ho Man Tin Station Package One Property Development ("**Ho Man Tin Development**") and/or subsequently when the General Partner refrained from taking and/or failed to take any or any effective steps to recover the principal of the Loans and/or all necessary and/or proper accounts and/or inquiries into what losses were suffered by the Fund and/or Taiping Trustees by reason of such breaches of duty

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together with orders that the General Partner pay such sums as may be found to be due upon the taking of such accounts and/or the making of such inquiries.

- 3 Taiping Trustees claims derivatively, as limited partner of the Fund, and/or on its own behalf against HRAM: (a) damages for breach of the express and/or implied contractual terms of an Investment Management Agreement dated 23 December 2016 and/or for grossly negligent breach of its common law duty of care and/or damages or compensation for breach of its fiduciary duties as investment manager in inducing the General Partner to enter the Loans and/or to subsequently refrain from taking steps to recover the principal of the Loans; and/or (b) all necessary accounts and/or inquiries into what losses were suffered by the Fund and/or Taiping Trustees by reason of HRAM's breaches of duty together with orders that HRAM pay such sums as may be found to be due upon the taking of such accounts and/or the making of such inquiries.
- 4 Taiping Trustees claims derivatively, as limited partner of the Fund and/or on its own behalf: (a) against HRAM damages for wrongfully and intentionally procuring the aforesaid breaches of duty by the General Partner by inducing the General Partner to enter into the Loans; and/or (b) against HRIF damages for wrongfully and intentionally procuring the aforesaid breaches of duty by the General Partner and/or the aforesaid breaches of duty by HRAM as investment manager with the intention of inducing the General Partner to enter into the Loans and/or to refrain from taking steps to recover the principal of the Loans; and/or (c) further or alternatively, against HRAM and/or HRIF damages for conspiring with each other and/or with the General Partner to invest the assets of the Fund in the Loans and/or to refrain from taking steps to recover the principal of the Loans being a course of conduct consisting of unlawful means with the intention of injuring the Fund and/or Taiping Trustees.
- 5 Taiping Trustees claims on its own behalf against HRAM and/or HRIF damages for concealing from Taiping Trustees, in December 2016 and thereafter, the investment by HRIF in entities involved with the Ho Man Tin Development and/or for misrepresentation in relation to the same by not disclosing the same when it ought to have done so.



OGIER

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