
JUDGMENT

Ms Lesley Anderson KC

Introduction:

1. This trial was about the true nature of the relationship between the Claimant, Wenda Co Limited (also known as Wenda Chemical Co Ltd) (Wenda or Wenda China), and Wang Jinhong (Wang Jinhong), its former director and Chief Financial Officer (CFO), and the operation by her of an invoice financing arrangement (invoice financing arrangement) through two corporate entities then controlled by her: Syner Limited (Syner), a company incorporated in England and Wales and the Second Defendant, and Effs Global Investment Co Limited (Effs), a company incorporated in the British Virgin Islands (BVI), and the Third Defendant. Wenda accuses Wang Jinhong of deliberate and systematic misappropriation of monies alleged to be properly due to Wenda from Syner and Effs and alleges that Roland Petit (Mr Petit), the Fourth Defendant, dishonestly assisted Wang Jinhong in that fraud. The allegations are firmly denied by the Defendants.
2. Wenda was represented by Mr Milnes KC and James Gardner and the Defendants by Anthony Jones. I am very grateful to them for their carefully researched and prepared written and oral submissions and the way in which they conducted the trial. I am also grateful to their respective instructing solicitors for their assistance especially in relation to their management of the trial bundles. The Parties:
3. Wenda was incorporated in China in 1995 by its founder, and director and Chairman, Xiong Wei (Xiong Wei). It carries on business in the trading and export and, since 2007, the manufacture of chemical ingredients for the food industry, including flavourings, texture improvers and preservatives. Wenda operates in 9 countries and employs c. 330 people, the majority of whom are based in its headquarters in Dalian, China. Its turnover in recent years has been between US\$100m to US\$150m. A substantial part of Wenda's overseas operation is in Latin and North America through several subsidiaries: Cape Chile Food Ingredients S. A (Cape Chile), Wenda do Brazil (Wenda Brazil), Wenda de Mexico (Wenda Mexico), Cape Food Ingredients Argentina SA (Cape Argentina) and Wenda America Inc (Wenda America). Wenda also has interests in smaller businesses in Europe (in Turkey, France and Germany) and Russia.
4. Wang Jinhong describes herself as a British and Chinese national. She became a British Citizen in January 2020, and her Chinese nationality was then withdrawn automatically according to Chinese law. Her background is in international finance including having a master's degree in international finance from a university in London. Wang Jinhong joined Wenda as its first CFO in October 2004 and, in 2009, she acquired a 9% shareholding in Wenda ahead of a planned (but ultimately aborted) IPO. Although she formally resigned as

Group CFO in 2014, Wenda's case is that this was largely for presentational purposes and she remained in de facto control of Wenda's finances as a director after that date. She was re-appointed CFO in 2017 in circumstances which I will return to later in this judgment. On 22 October 2018, Wang Jinhong was removed as a director of Wenda. Wang Jinhong is, and has been throughout, a director of Syner and was a director of Effs until 2018. 5. Syner was incorporated on 18 September 2012 in England and Wales with Wenda as its sole shareholder and Wang Jinhong as its director. On 1 March 2016, a share transfer agreement was made between Wenda, Wang Jinhong and Syner whereby all of Wenda's shares in Syner were to be transferred to Wang Jinhong, by no later than the end of July 2017. The formal transfer is recorded at Companies House on 25 September 2017. 6. Effs was incorporated in the BVI on 13 April 2012 with Wang Jinhong as its sole shareholder and director. According to Wang Jinhong, Effs has been engaged in fishery trading since around 2013, taking advantage of Dalian's importance as a major base for manufacturing, importing and exporting fish, and her contacts there. On 22 August 2018, Wang Jinhong transferred her shares in Effs to Mr Petit and he replaced her as its sole director but it is common ground that any material activity of Effs continued to be managed and controlled by Wang Jinhong.

7. Mr Petit graduated with an economics degree and has had senior roles in management. He first met Wang Jinhong in early 2015 and they quickly became friends. In 2018, he says that Wang Jinhong shared with him problems which she was experiencing with Xiong Wei and her belief that it would be resolved for Effs if she had little more to do with Effs. In July 2018 Wang Jinhong gave him the shares in Effs which he says he hoped to develop into a business opportunity. : Other Relevant Persons 8. It is convenient at this stage to identify and describe some other individuals relevant to the dispute between the parties although, in some cases, the part they play is small.
9. Wang Qingli (Wang Qingli) joined Wenda as an accountant in its finance department in 2008. She is important because Wenda's case is that she was, or became, a personal friend of Wang Jinhong who worked together with her to administer the invoice financing arrangement so as to facilitate the alleged fraud using covert and fraudulent techniques and artifices. Wang Qingli has never been interviewed (formally or otherwise) about these serious allegations and did not give evidence before me. Wang Qingli ceased to be employed by Wenda on 30 December 2016.
10. Li Jin (Li Jin) was initially employed by Wenda in China as its cashflow manager but became a department manager in its Credit and Risk Management department from 2011 until early 2017, when she was responsible for Wenda's key banking relationships in China. Wenda's case is that from about 2016, Li Jin became very close to Wang Jinhong, and that she must have known about the alleged shortfall in payments from Syner to Wenda but did not tell Xiong Wei about it. Xiong Wei says he spoke to Li Jin on a weekly basis. Li Jin left Wenda in around March 2016. Again, she has never been interviewed about these allegations.

11. Cao Hongwei (Cao Hongwei) is an IT supervisor in Wenda's Human Resources department.
12. Jin Changjie (Jin Changjie) is an old university friend of Xiong Wei. From 1996 until late 2017, Jin Changjie was Vice-General Manager of Wenda (responsible initially for its export sales but latterly for its domestic sales business and supervision of its sales to Russia) and a director and shareholder. He left Wenda largely because of differences with Xiong Wei about Wenda's business strategy, in particular, as to its domestic sales. In 2018, as part of a struggle between Xiong Wei and Wang Jinhong for control of Wenda, Wang Jinhong claimed to have purchased Jin Changjie's shares in Wenda but there is a dispute about whether that is true.
13. Chou Chunjing, also known as Annie Chou, (Chou Chunjing) joined Wenda as its new CFO in September 2016. Chou Chunjing was based in Dalian, China. Shortly after she joined Wenda she told Xiong Wei that she thought that Syner had retained money that should have been paid to Wenda and she then became involved in investigating those concerns.
14. Liang Yanni (Liang Yanni) joined Wenda in October 2016 as a Vice-Manager in its accounts department. In 2018, she was promoted to be a manager and in August 2024 she was promoted to CFO. Liang Yanni has made two witness statements dated 7 November 2024 and 2 July 2025 and she gave oral evidence and was cross-examined in the trial before me.
15. From 2011, Emma Xia (Emma Xia) was an accountant and office manager at Wenda America.
16. Mariano Risso Patron (Mr Patron) is the CFO of Wenda's network of branches in Latin America: Cape Chile, Wenda Brazil, and Wenda Mexico. Between 2012 to 2017 (the time period when most of the disputed events in this case took place) his main focus was on Wenda Chile as Wenda Brazil and Wenda Mexico had their own managers. Mr Patron made two witness statements dated 5 November 2024 and 22 January 2026 and gave oral evidence and was cross-examined in the trial before me.
17. Geissler Silva (Mr Silva) was the co-owner (with Wenda) and manager of Wenda Brazil until October 2016 when he left after it was discovered by Xiong Wei that he had been stealing money from the business.
18. Horacio Pascale (Mr Pascale) was the General Manager of Cape Chile and Cape Argentina. At one point, he also owned 35% of the shares in Wenda Mexico but these were bought out by Wenda in about 2010-2012.
19. Nicolas Orloff (Mr Orloff) was initially employed by Cape Argentina but in or about 2006 he became the General Manager for Wenda Mexico. He also acquired a small 10% shareholding in Wenda Mexico as an incentive to grow the business.
20. Jamie-Lee Leslie (Mr Leslie) was employed by Syner, as its sole employee, between approximately November 2013 and March 2015. His role was as assistant accountant responsible for the preparation of management accounts, end of year financial statements and accounts and managing its payroll operations, including the operation of its Sage accounting software.

21. Li Gang (Li Gang) joined Wenda in 1997, left in 2003 and returned in 2016 as the General Manager of Wenda Brazil and has been Wenda's Vice-President since around 2019. 22. Leapman Weiss (Leapman Weiss) acted as accountants and auditors for Syner in respect of its financial statements for the period 18 September 2012 to 30 September 2013, for the year ended 30 September 2014, for the year ended 30 September 2015, for the year ended 30 September 2016 and for the year ended 30 September 2017. Issues for Determination:
23. The parties had agreed a very detailed List of Common Ground and Issues. I am grateful to them.
24. However, although re-phrased by me slightly differently, the parties' submissions have been principally directed to six core issues: 24.1. What were the terms of the agreement made in 2012 regarding the invoice financing arrangement? In particular: (a) did it impose expressly or impliedly trust or fiduciary obligations on Syner and/or Effs regarding the proceeds received from HIF and/or Wenda's overseas buyers/subsidiaries (Wenda's primary case); or (b) did it impose contractual obligations only (the Defendants' case and Wenda's secondary case) and if so, on what basis? This raises factual issues as to what was agreed in 2012, legal issues as to what is required for the imposition of trust/fiduciary duties and, if they exist, as to the availability of the equitable remedies claimed by Wenda. 24.2. What were the sums (a) received via the invoice financing arrangement by Syner and/or Effs; (b) properly payable by Syner and/or Effs to Wenda (having regard to what was properly permitted to be deducted as expenses/retention) and (c) paid by Syner and/or Effs to Wenda? In particular, did Effs dishonestly and knowingly receive the proceeds of Syner's alleged fraud against Wenda? This raises factual issues as to what was received and spent and legal issues as to the equitable and common law remedies claimed by Wenda. 24.3. Did Wang Jinhong dishonestly assist Syner/Effs' breaches of trust or fiduciary duty by procuring those breaches, including lying in relation to the deliberate non-payment of the shortfall due to Wenda and as to secret profits from Syner's unauthorised trade and/or did she dishonestly and knowingly receive the proceeds of Syner/Effs' fraud against Wenda? 24.4. What was agreed in respect of the accommodation payments for Wang Jinhong? This raises factual issues as to whether Wang Jinhong fraudulently misrepresented the position to Wenda and legal issues as to whether Wang Jinhong is liable to compensate Wenda. 24.5. Was the US\$3.75m advanced by Effs to Wenda on 18 to 19 April 2017 (the US\$3.75m Payment) the proceeds of Wang Jinhong's wrongful conduct and so to be treated as monies to which Wenda was always entitled (Wenda's case) or does it properly represent payment by Wang Jinhong for 37.5% of the shares in Wenda (the Defendants' case)? 24.6. Did Mr Petit dishonestly assist Effs' breaches of trust by helping to insulate Effs from Wenda's claims and/or did he dishonestly and knowingly receive the proceeds of Effs' alleged fraud against Wenda? 25. In addition, depending on my conclusions on those core issues, further issues arise for my determination including: 25.1. 25.2. 25.3. Did Wenda make an equity injection of US\$2.2m into Syner 2013? Is Syner and/or Effs liable to pay Wenda damages for breach of contract? Did Wang Jinhong, Syner, Effs and Mr Petit conspire with one another to harm Wenda using unlawful means causing Wenda to suffer loss? 25.4. Did Wang Jinhong acting

in bad faith procure Syner and/or Effs to break their contracts with Wenda causing Wenda to suffer loss? The Factual Background to and Operation of the Invoice Financing Arrangement:

26. Much of the factual background to the invoice financing arrangement is not in dispute. If and to the extent that they are not agreed, this section forms part of my factual findings. 27. Initially, Wenda acted only as a broker of food ingredients between buyer and seller, for which it earned a commission of about 3-10% of the price paid. By 1997, Wenda's business was mainly buying and selling goods on its own account as a trader (rather than merely broking between other buyers and sellers). In 2007, Wenda also began its own manufacturing business. Although that was more profitable, it was also riskier and required more working capital, especially when exporting. Wenda offers its overseas buyers competitive terms – sometimes allowing them up to 180 days after delivery for payment – and so made use of relatively cheap domestic financing in China and state- provided credit insurance from Sinasure, a state-backed export credit insurer (Sinasure).
28. By 2011, Wenda was keen to seek cheaper finance in the European markets and, acting through Wang Jinhong, established a subsidiary in France known as Synergitec SAS (Synergitec). By 2012, the focus had shifted to London and the possibility of exploiting international invoice financing opportunities using an English subsidiary (in the event, Syner) and Wenda agreed to Wang Jinhong's request to relocate to the UK. 29. It is common ground that the relationship between Wenda and Syner is governed by the terms of an oral agreement made between Xiong Wei (on behalf of Wenda) and Wang Jinhong (on behalf of Syner) in 2012. There is no contemporaneous written record of the oral agreement. I will return to this when setting out my detailed findings as to the nature and scope of the arrangement but at least part of its object was to enable Wenda to benefit from the lower interest rates available in London. It is also common ground that the plan was that: (i) Wenda's overseas customers would pay Syner rather than Wenda, so that Syner could obtain invoice financing from English lenders which was not available to Wenda itself; (ii) Wenda was to remain responsible for agreeing the terms of the sales and performing them and (iii) Syner owed Wenda obligations in respect of the sums paid to Syner by way of (a) advances under the invoice financing arrangement and (b) payments by Wenda's overseas buyers. 30. Syner maintained at least three bank accounts: a NatWest Euro bank account ending 457 (Syner Euro Account); an HSBC sterling bank account ending 392 (Syner GBP Account) and an HSBC US\$ bank account ending 306 (Syner US\$ Account). The latter appears to have been the main trading account. 31. It is also not in dispute that Wang Jinhong earned a salary of c. £60,000 per annum whilst in the UK.
32. At this time, Wenda was in principle willing to reimburse the cost of Wang Jinhong's expenses while she was based in the UK. Wang Jinhong told Wenda that she had found a suitable property to be used as her accommodation and as a home office and Wenda agreed to pay her a monthly sum based on invoices to be presented by her (the accommodation agreement). Between June 2013 and March 2017, Wang Jinhong presented Wenda each

month with invoices purporting to be from Princess Park Estates, a lettings company for the renting of a property at 37 Lewes Road, London, N12 9NH (37 Lewes Road). It is common ground that these invoices were fabricated (the fake rental invoices), but there is a dispute as to who created them and whether Wenda knew that they were not genuine. In fact, Wang Jinhong had purchased the freehold of 37 Lewes Road in May 2013, and her case is that Xiong Wei knew that the “rental” payments were reimbursement of her mortgage payments. The total amount of these invoices is c. £115,000. Wenda’s case is that these were paid to Wang Jinhong in respect of the months May to December 2013 and thereafter deducted from Syner’s indebtedness to Wenda. The Defendants say that it was solely on the latter basis. 33. In 2013, Wenda made a series of payments to the Syner US\$ Account totalling US\$2,200,000: (i) US\$1,000,000 on 18 April 2013; (ii) US\$450,000 on 23 July 2013; (iii) US\$450,000 on 2 August 2013; (iv) US\$295,004 on 14 August 2013; (v) US\$4,996 on 1 November 2013 (the US\$2.2m initial payment). Although the fact of the US\$2.2m initial payment is not in issue, there is a dispute as to its true status. Wenda’s case is that this was a real cash investment which Xiong Wei understood was required to enable Syner to access the favourable interest rates in the UK and that it should be returned to Wenda. Wang Jinhong’s position is that the US\$2.2m initial payment was not new investment from Wenda into Syner, but rather Wenda paying off a debt incurred to Syner because Syner had paid off a loan provided to Wenda by Synergitec, prior to the move to England.

34. On or about 3 January 2014, Syner entered an invoice financing facility contract (HIF facility) with HSBC Invoice Financing (UK) Ltd (HIF). There is an executed but undated agreement between HIF and Syner whereby Syner assigned to HIF: (i) all existing and future debts and (ii) all non-notifiable debts and agreed that each debt created after the commencement of the agreement would automatically belong to HIF the moment it was created. Initially the HIF facility had a limit of £2m but by January 2015, it had been increased to £6.5m. In each case, Wenda entered into an ‘all monies’ guarantee in favour of HIF guaranteeing Syner’s indebtedness to it under the HIF facility. 35. In summary, invoices were then provided to HIF by Syner, against which HIF advanced a proportion (80%) of the invoiced amount to Syner, prior to the customer settling the invoiced amounts. Once the amounts due on the invoices had been paid by the customers to HIF, the remaining balance was transferred to Syner, after deduction of HIF’s charges and other costs. In my experience, this is a fairly typical invoice financing arrangement. 36. It is not in dispute that the invoice financing arrangement encompassed 994 separate sales of which 989 relate to US\$ denominated invoices and 5 relate to Euro denominated invoices and that Wang Jinhong and Wang Qingli worked together to administer the arrangement. They maintained a series of running accounts in Excel which have been described in this trial as the “Business Tables” or “Receivables Following Up Table” (the business tables). I have been referred in particular in this trial to four such tables: the first covers the period September 2013 to January 2014 (business table one); the second covers the period September 2013 to October 2014 (business table two); the third covers the period September 2015 to April 2015 (business table three) and the fourth covers the period January 2015 to April 2017 (business table four). Included

within the business tables there are worksheets relating to Syner and worksheets relating to Effs. 37. It is also not in dispute that of the invoices processed under the HIF facility, just under half (48.7%) related to customers of Wenda and the rest related to what has been described as Syner's independent trade in frozen and processed fish products (Syner's independent trade). Wenda's case is that Syner's independent trade and the use of the HIF facility for that trade was not authorised. The Defendants' position is that, to secure the HIF funding, there needed to be an actual English entity turning profit, capable of paying the interest charged and capable of being enforced against and that without Syner as an actual commercial going concern, the invoice financing facility would not have been available.

38. Although the split between them has changed over time, Wenda's business model involves two types of business. "Indent" business is where Wenda China makes sales directly to overseas customers through the Wenda branch. The branch liaises with the customers, understanding their product requirements, quoting a price, taking their orders and generally managing the transaction but the transaction documents (sales contract, packing list and the sales invoice) are produced by Wenda China. The local branch deals with the paperwork dealing with local customs regulations. Wenda China is the seller (not the branch) and the customer pays Wenda China directly by the date due on the invoice. For indent business the payment terms are generally between 90 to 180 days. The branch is acting as a sort of middleman.
39. On the other hand, "distribution" business involves the branch placing orders with Wenda China on its own account, holding and managing stock locally in its warehouse and then selling the stock to customers in the local markets with the customer paying the branch not Wenda China. Payment terms between Wenda China and the branch are typically 180 days.
40. A peculiar feature of this case is that, according to Xiong Wei, at least in the early stages, Syner's existence was kept secret from most of Wenda's employees in China (save for him, Wang Jinhong, Wang Qingli and Li Jin). He says there were two reasons for this. 41. First, he did not want Wenda's Chinese banks, particularly China Construction Bank (CCB) and Bank of China (BOC), to know that Wenda had operations outside of China and had given a guarantee in relation to Syner, in case they considered reducing their financial support to Wenda. 42. Secondly, notwithstanding the invoice financing arrangement, Wenda continued to raise finance from Chinese banks (using insurance from Sinasure) by presenting the sales which Syner had concluded with foreign buyers as if they were Wenda's own sales and receivables. This was done by Wenda creating fake sales contracts, duplicating the details in the Syner sales contracts and then presenting them as genuine to BOC/CCB and Sinasure, enabling it to obtain double financing for the one transaction. I will refer to this as the double invoicing scheme. This has been referred to throughout the trial as "double financing" but as has become clear this was only one of two such schemes. The second way in which CCB/BOC and Sinasure were deceived was by Wenda presenting them with invoices with massively inflated values. I will refer to this as the inflated invoices scheme. Although there was a reticence on the part of Wenda's advisers to call it out as such, there can be no

doubt that both schemes of “financing” were dishonest and known to be such by Xiong Wei and that was ultimately accepted by him.

43. The first payment from Syner to Wenda was made on 10 January 2014. 44. It is also common ground that it was subsequently agreed that Effs would also be involved in the invoice financing arrangement although its role was not specifically discussed between Xiong Wei and Wang Jinhong at the outset. In a long email sent on 4 July 2014 to Xiong Wei, although not referring to Effs by name, Wang Jinhong refers amongst other things to the use of an “offshore company” to resolve certain perceived problems with Wenda’s financial processes. It is common ground that thereafter, as part of the overall invoice financing arrangement, Effs acted as a factoring entity providing money against invoices for goods supplied to two of Wenda’s subsidiaries, Wenda America and Cape Chile.
45. The evidence before me is that Effs had one US\$ bank account with DBS (Hong Kong) Bank (DBS Hong Kong) ending 550 (Effs/DBS US\$ Account) which was closed in
2023. Just as with Syner, Xiong Wei’s evidence is that Effs was kept secret from most of Wenda’s staff. Xiong Wei says that whilst he believed Wang Jinhong was able to control Effs, he did not think she was its owner.
46. As I have already noted, Wang Jinhong formally resigned as CFO from Wenda in around August 2014. 47. For completeness I note that in late 2015, Wang Jinhong says that she and Xiong Wei agreed that Wang Jinhong would inject US\$2.2m of her own money into Syner’s bank account as a loan, to be used for working capital. Wang Jinhong says she transferred those sums in two tranches: US\$ 100,000 on 21 December 2015 and US\$2,100,000 on 15 January 2016. The accounts for Syner to 30 September 2016 record in the related party transactions section that: “As at 30th September 2016 the director, Ms Jinhong Wang, had advanced \$2,200,000 (2015, \$3,876) to the company by way of a short term loan”. The accounts for Syner to 30 September 2017 record in the related party transactions section that: “As at 30th September 2017 the director, Ms Jinhong Wang, had advanced \$Nil (2016, \$2,200,000) to the company by way of a short term loan”.
48. As I have already mentioned, on 1 March 2016, an agreement was signed between Wenda, Wang Jinhong and Syner agreeing to transfer the shares in Syner from Wenda to Wang Jinhong. The transfer price is described as being “the actual equity amount”. According to Xiong Wei, at the time Wang Jinhong said it would be better if she was the owner because it did not look good to banks for a UK company like Syner to be owned by a foreign company like Wenda but he now thinks this was part of a strategy adopted by Wang Jinhong to prevent any investigation into Syner’s operations and to hide the fact that she was stealing from Wenda.

49. The US\$2.2m initial payment forms part of the background to the claims made by Xiong Wei and Wenda in China (the Chinese proceedings). The Chinese proceedings principally concern Wang Jinhong's obligations in respect of her acquisition of the shares in Syner in 2017. In April 2021, Xiong Wei and Wenda succeeded in establishing before the Dalian Intermediate Court that Wang Jinhong was liable to pay US\$2,129,116 to Wenda as the consideration for the shares but Wang Jinhong has appealed that judgment.
50. This has recently been the subject of separate proceedings in this Court in which Wenda seeks to enforce the judgment in the Chinese proceedings. That claim (known by the short title LM-2024-000310), was heard by Mr Andrew Hochhauser KC, sitting as a Judge of the High Court, in November 2025 (the enforcement proceedings). Judgment was reserved and, as far as I am aware, at the date of this judgment, has not yet been handed down. The question of whether Wang Jinhong has paid the correct price based on the net assets of Syner is the subject of the Chinese proceedings and the enforcement proceedings and is not a matter for me.
51. Returning to the essential chronology, in September 2016, Chou Chunjing joined Wenda as its new CFO based in China. Xiong Wei admits that he had not told Wang Jinhong about his intention to hire Chou Chunjing until he did so at a face-to-face meeting in China in August 2016 and that she was very upset about it. Shortly after joining Wenda, Chou Chunjing told Xiong Wei that she thought Syner had retained money which should have been paid to Wenda. Xiong Wei authorised Chou Chunjing to carry out an investigation into the invoice financing arrangement. Initially, Chou Chunjing approached Wang Qingli for information. By November 2016, there were discussions about the need for Syner to bring its account with Wenda up to date and as to the need for Syner to provide a reconciliation.
52. On 24 November 2016, Wang Jinhong provided Xiong Wei with a brief reconciliation table which purported to show the state of the account in 2013, 2014, 2015 and 2016. According to Xiong Wei, he was not satisfied by Wang Jinhong's explanations and was suspicious that Syner had been making payments which had nothing to do with Wenda's business and his agreement with Wang Jinhong. The detail is perhaps less important than the overarching point that, as early as November 2016, Xiong Wei had clear suspicions about Wang Jinhong and he says Wang Jinhong had reacted sufficiently to these inquiries to deny, orally, that she had stolen any money.
53. Xiong Wei says that, as well as pressing Wang Jinhong for a full reconciliation of the invoice financing arrangement, he was also pushing her to make the payments due from Syner/Effs to Wenda. In an email sent on 9 December 2016, one of the reasons Wang Jinhong gave for the shortfall in payment concerned interest costs. Xiong Wei's evidence is that he thought, at the time, her explanation was "ridiculous" and he suspected it was an attempt to hide the true annual interest implied by Wang Jinhong's calculations. He also did not believe her excuses for Syner/Effs' non-payment.

54. However, his evidence is that, notwithstanding those concerns, any attempt to build a full reconciliation of the position ceased in January 2017. Wang Jinhong says that prior to the issue of these proceedings, no issues had been raised regarding the accounts balance provided by Syner/Effs in November/December 2016. However, in mid- December 2016, Wenda ceased using Syner/Effs for financing on new transactions and the bank statements for Syner and Wenda indicate that the last payment to Wenda was on 15 December 2016. 55. In or about early January 2017, CCB became aware that Wenda had inflated the sales value on certain invoices financed by it. Xiong Wei thinks that this was the result of a telephone tip-off by Wang Jinhong or someone on her behalf (using voice-distorting technology) but it is not necessary for me to decide this point. CCB said that the practice constituted a breach of its master agreement with Wenda and demanded that Wenda repay all of the outstanding sums (c. US\$3-4 million) failing which CCB would enforce its security over Wenda's assets. Xiong Wei was fearful that Wenda would lose the support of CCB and that this would be very damaging to its business and reputation and he needed time to raise money from a different bank, using Wenda's property assets if necessary.
56. On 22 March 2017, Xiong Wei says a meeting took place between Wang Jinhong and Xiong Wei at his office in Dalian. Wang Jinhong told him that she was aware that Wenda's financial position was parlous and had funding available from funders who were her friends and that they were looking for an investment project. The proposal was that Wang Jinhong's friends would invest in Wenda in return for a majority shareholding in Wenda although they were insistent that Wang Jinhong should become part of Wenda's management team again. Wenda now says that there were no "friends" and that was simply a fraudulent device to enable Wang Jinhong to ensure that Xiong Wei did not realise that Wang Jinhong was seeking to assert majority control over Wenda and to prevent Wenda investigating the invoice financing arrangement. Wang Jinhong denies much of this in her tenth and sixteenth witness statements save that she says she agreed to make a short-term loan to Wenda, which, if not repaid, would mean that her shareholding in Wenda would be increased by 37.5% to 43.13%. 57. It is not necessary for me to decide precisely what happened because it is not in dispute that on 18-19 April 2017, Effs advanced a total of US\$3.75m to Wenda based on an overall valuation of US\$10m. Wang Jinhong later relied on that increased 37.5% shareholding as part of an attempt to claim majority control over Wenda. As I have already described there is an issue between the parties as to whether this sum represents the proceeds of the alleged fraud against Wenda.
58. On 25 April 2017, Effs resumed payments to Wenda. Wenda used the advance from Effs to repay CCB and so averted the financial crisis which had been pre-occupying Wenda for the whole of 2017.
59. On 22 April 2017, Xiong Wei sent an email to Mr Orloff, Li Gang, Mr Pascale and Mr Patron, copied to Wang Jinhong with the subject heading "New Era" which, in view of its importance for the factual narrative, I set out here in full: "Dear All As you know we had a hard time in financing in the last two months. There were quite a few reasons accountable for it but one

of the reasons is the poor management in financing arrangements. For example, we had a couple of good resources/properties which were not managed well to generate the cash flow as expected. Last week the CFO Chou Chunjing was let to go. Ms. Jinhong Wang was invited to go back to Wenda headquarters to be in charge of all the financing and financial matters again. With her help we solved the pending issue with the CCB Bank and now our financing operation returns to normal. I'm very glad from now on I can focus more on the business. However, we'll be still in a manageable tight cash flow for short and medium term. Thus a delicate and conservative management will be applied. One of the most important measure for each market is to identify and remove the customers who delay the payments from time to time. For example, in Brazil I suggest we register the customer in Serasa if they delay 30 days and then report them to Sinasure if they don't improve after it. We're totally convinced through a good management we'll be in a very healthy cash flow in long term. To have a healthy cash flow also means we can apply the resources to the best opportunities for better profitability. Let's work together in this aspect to achieve the long term goal. In addition to financing and financial matters, Jinhong will also work together with me for the management of the overall operations like she always did before. I'm very glad that I have such a great partner like her. And I believe she will be a huge asset to our business. I also believe all of you will cooperate with her very well. Cheers!"

60. On 27 April 2017, Wang Jinhong provided by email what was intended to be a final reconciliation to Wenda. According to that email, the funds which should be paid back in the future by Syner/Effs were US\$1.09m and EUR 80,000 but against which she said Xiong Wei had agreed to pay her US\$1m although she notes that Xiong Wei is "not too happy about it, but I'm also not happy if you don't give it to me". There is a dispute over whether Xiong Wei had in fact agreed to pay the US\$1m. Wang Jinhong says it was agreed as some form of compensation for Wenda's prior breach of contract. As I have already noted, in March 2016, Xiong Wei and Wang Jinhong had reached an agreement regarding the intended transfer of Wenda's shares in Syner. Article 7 of that agreement provided that all existing agreements between Wenda and Syner would continue to be honoured. Wang Jinhong says that Wenda breached that agreement because, from December 2016, without notifying her, Xiong Wei started directing Wenda Brazil and Wenda Mexico to divert their custom away from Syner to Wenda. She says that, in light of her expressed displeasure, Xiong Wei agreed reluctantly to pay US\$1m compensation to Syner. In Xiong Wei's third witness statement, he says he never agreed to pay a reward fee but at the board meeting on 11 June he had very reluctantly agreed to pay US\$1m reward but had never previously agreed to do so and that he only said this at the board meeting because he wanted his colleagues to understand how Wang Jinhong was behaving.
61. On 9 October 2017, Wenda's shareholders purported to resolve to increase its share capital which was registered on 2 November 2017. Subsequently, on 19 November 2019, it was decided by a court in China that the purported capital increase was void.

62. By mid-2018, there was a serious rift between Xiong Wei and Wang Jinhong. Xiong Wei describes this as a struggle for control over Wenda and that Wang Jinhong was asserting that she had majority control over Wenda. On 1 June 2018, there was a purported EGM and Board resolutions of Wenda dismissing two of its directors and appointing Wang Jinhong as its legal representative. Wenda's case is that these are forgeries. About this time, it says Wang Jinhong was telling senior staff at Wenda that she was now its majority shareholder.
63. On 11 June 2018, a board meeting of Wenda was convened by Xiong Wei at which various resolutions were proposed including as to: (i) the purported transfer of shares between Wang Jinhong and Jin Changjie; (ii) the control of Wenda's company corporate seal; (iii) a proposed investigation of the accounting between Wenda and Wang Jinhong's companies; (iv) to reduce Wang Jinhong's shareholding below 50% and (v) to investigate the source of monies used by Wang Jinhong to buy shares in Wenda in 2009 and 2017. Wang Jinhong challenges the validity of the meeting and the resolutions passed as a matter of English and Chinese law. She also denies Wenda's allegations regarding her misuse of Wenda's corporate seals and business licence. It is not necessary for me to decide these points given that these have been the subject of different proceedings in China but they provide important context for the remaining parts of the factual narrative.
64. On 4 July 2018, Xiong Wei sent an email to Emma Xia at Wenda America asking for her assistance in relation to "an in-depth investigation into Syner". Amongst other things, Xiong Wei was asking Emma Xia about Wang Jinhong's acquisition of 37 Lewes Road and the authenticity of certain HIF invoices, copies of which were attached, and in respect of which he said: "The last two attachments are financing invoices submitted for reimbursement at the head company, used to offset Syner's accounts payable to the head company. The total is approximately 1.5 million US dollars. I want to verify their authenticity".
65. The invoices themselves (87 in total) purport to be from HIF to Syner in respect of "Discounting charge for month". Wenda's case is that these invoices overstate the interest charged by HIF in respect of Wenda sales in the sum of US\$1,106,157.38 and that 94% of the sums purportedly charged agree with the interest and commission amounts within the business tables (excluding reverse charges). 66. It is common ground that the HIF statements are not genuine and it is convenient to refer to them, as have the parties, as being fake (the fake HIF statements). I will return to this point below when making my findings on the core issues.
67. On 22 August 2018, Wang Jinhong transferred the entire shareholding in Effs to Mr Petit and he replaced her as its sole director. At about this time, Wang Jinhong left Dalian, China and moved back to the UK. She was finally removed as a director of Wenda on 22 October 2018.
68. On 12 November 2018, HIF confirmed to Wenda's solicitors that the fake HIF statements in Wenda's records were not genuine stating that they were not in a format which it recognised or contained information which was consistent with its records. : The Procedural History

69. There is a protracted procedural history to this case involving multiple applications and hearings.
70. By way of illustration, Wang Jinhong has filed and served a total of 21 witness statements although she relies on only four of them in this trial: her tenth witness statement dated 5 December 2024; her fourteenth witness statement dated 2 July 2025 and her fifteenth and sixteenth witness statement both dated 2 July 2025.
71. Xiong Wei has made 12 witness statements and one sworn affidavit although he relies on only two for the trial: his eighth witness statement dated 5 November 2024 and his ninth witness statement dated 1 July 2025.
72. Wenda has been represented throughout by Sherrards Solicitors LLP (Sherrards). The Defendants are now represented by Lawdit Solicitors (Lawdit) having replaced JMW Solicitors LLP (JMW) sometime in 2023/2024. Prior to that the Defendants had instructed Penningtons Manches Cooper (Penningtons).
73. It is necessary for me to set out some of the procedural history in some detail because:
- (a) both parties submit that there have been significant changes in the way that the cases have been put which go to the central issues of the credibility of the witnesses or the veracity of those cases; (b) both parties say that there have been significant failures in the opposing party's compliance with their disclosure obligations; (c) both parties have made serious allegations against the other in other courts and forums, including the police (including allegations of intimidation, embezzlement and lying); (d) Wenda, in particular, relies on those failings as part of their case that the Defendants have been fundamentally dishonest.
74. On 26 November 2021, Mr Justice Jacobs granted Wenda, on its application made without notice, a proprietary and freezing injunction against Wang Jinhong, Syner and Effs which froze their assets up to the value of US\$5m and £741,576 and restrained them from disposing of, dealing with or diminishing certain categories of assets including any monies, and the proceeds of any monies, paid to them (whether directly or indirectly) between 2012 and 2017 by buyers of goods manufactured or supplied by Wenda or advanced to them by any finance company on the credit of invoices relating to the same (the PFI Order). Wenda's application was supported by the first affidavit of Xiong Wei sworn on 27 October 2021, an affidavit of Paul D. Marmor sworn on 22 November 2021 and the first witness statement of Xiong Wei dated 25 November 2021. On the same day, Mr Justice Jacobs granted by consent an order permitting service out of the jurisdiction on Effs.
75. There has been no explanation before me as to why the present claim was brought only in late 2021 although I understand that some may have been given in earlier applications. The Defendants say that the balance of the account between Syner and Effs had been investigated in late 2016/early 2017 (in the way I have described in the factual summary), that Wang Jinhong had provided what she considered to be a final reconciliation (in her email dated 27 April 2017) and point to the fact that Wang Jinhong was welcomed back into Wenda with open arms as evidenced by Xiong Wei's 'New Era' email circulated to key people

in Wenda on 22 April 2017. As I have already noted Wang Qingli was permitted to leave Wenda in December 2016 without providing a full reconciliation or being asked to provide any explanations.

76. The Defendants submit that there is a clear ulterior motive for the claim being brought and that it is all part of the later dispute between Xiong Wei and Wang Jinhong, arising from her claims in 2018 to have acquired the shares of Jin Changjie and to have acquired majority control over Wenda.
77. On 30 November 2021, Wenda filed and served its Particulars of Claim. Initially, Wenda's case (in paragraphs [7] and [10]) was that the relevant contractual relationship with non-Chinese buyers was directly with Wenda itself, that Wenda invoiced those buyers as principal and instructed those buyers to pay Syner (and later Effs) as agent, and that Wenda thereby expressly and/or impliedly entrusted Syner/Effs with those rights to payment which Syner/Effs would then use as collateral for the financing raised from lenders. Wenda thus initially asserted that Wenda was the beneficiary of the invoiced sums, with Syner/ Effs interposed as receiving agent for the monies, but accountable to Wenda. This was also the case which had been confirmed to be true in Xiong Wei's affidavit in support of the application for the PFI Order sworn on 27 October 2021.
78. The return date hearing on the application for the continuation of the PFI Order was listed for 10 December 2021 at which Mr Justice Jacobs gave directions for the serving of evidence in response and providing for an expedited hearing date. On the same day, Mr Justice Jacobs ordered the PFI Order to be reissued so as to refer to the First Defendant as "Wang Jinhong, also known as Rachael Arkwright, also known as Rachel Arkwright". It is not in issue that these are aliases used by Wang Jinhong. Paragraphs [6] to [11] of that order provided for a restricted information regime (RIR) restricting information, which Wang Jinhong reasonably considered the provision of which to Wenda would expose her or members of her family to harm, to Wenda's legal team.
79. On 9 February 2022, Wenda issued an application for third party disclosure pursuant to CPR 31.17 requiring HIF to disclose statements of account relating to any invoice financing facilities provided by it to Syner and/or Effs. On 14 June 2022, the application was granted by His Honour Judge Pelling KC, sitting as a Judge of the High Court. The Court thereby granted Wenda's application for third party disclosure of the genuine HIF statements. 80. In the meantime, on 18 March 2022 the Defendants had filed and served their Defence and on 21 April 2022, Wenda had filed and served its Reply.
81. On 10 August 2022, Wenda issued an application seeking orders relating to the PFI Order: (a) as to the asset disclosure and information provided and (b) the proprietary injunction information for tracing assets subject to Wenda's proprietary claim. On 24 August 2022, Mr Justice Robin Knowles approved the terms of a consent order relating to that application.

82. On 19 October 2022, the first costs and case management conference (CCMC) took place at which Mr Justice Butcher provided for a series of directions including: (i) for the parties to give disclosure in accordance with Section 1A of the disclosure review document (DRD) agreed and settled by him and requiring the Defendants to re-serve a draft of Section 2 of the DRD; (ii) for the parties each to be permitted to adduce the evidence of an expert forensic accountant to deal with (a) the quantum of Wenda's invoice financing arrangement claim and (b) Wenda's tracing claim. On the same day, Mr Justice Butcher approved an order by consent dealing with part of Wenda's application dated 10 August 2022 requiring Wang Jinhong, Syner and Effs to give disclosure of bank statements, assets and tracing information, as particularised in the Order (the Butcher Orders). On 16 November 2022, the Defendants served their revised section 2 of the DRD. The remaining part of the 10 August 2022 application was dealt with by an order of Mr Justice Jacobs on 11 January 2023. 83. In late 2023, Wenda served on the Defendants a draft Amended Particulars of Claim, together with the sixth witness statement of Xiong Wei dated 22 November 2023. As Xiong Wei explains at paragraph [4] the purpose of his further witness statement was in order to: (1) "correct" a point in his previous evidence relating to the role of Syner; (2) to make a specific clarification in relation to the role of Effs; and (3) to provide the Court with more information on another aspect of Wenda's financing arrangements. It is not clear to me when permission was given for Wenda to rely on the draft Amended Particulars of Claim (the version in the bundle for the PTR which was heard by me is dated 18 December 2024) or when the equivalent permission was granted to the Defendants (again the Amended Defence in the PTR bundle is dated 10 January 2025) but nothing turns on that. For present purposes it is sufficient to note that Wenda was now accepting, as the Defendants had maintained in their Defence, that the relevant contractual relationship was between Syner and the relevant buyers and that Syner was not contracting on behalf of Wenda as its principal.
84. On 18 December 2023, Wenda made an application in the High Court of the Hong Kong Special Administrative Region Court of First Instance against DBS Hong Kong which was heard by Deputy High Court Judge Le Pichon on 19 January 2024. DBS Hong Kong was ordered to give disclosure of all of the bank statements held by it in relation to the Effs/DBS US\$ Account (and/or all of its sub-accounts (if any)) for the period from 7 October 2013 to the date of the order. Although this yielded some documents, by this stage, DBS Hong Kong's own document deletion policy meant that it was only possible to obtain statements going back to January 2017.
85. A second CCMC was heard before Mr Justice Foxton on 1 March 2024 at which provision was made, amongst other things, for revised dates for: (i) the filing and service of witness statements and hearsay notices and reply statements; (ii) meetings of experts and short supplemental expert reports and (iii) the re-serving by the Defendants of a draft of Section 2 of the DRD to provide information which had been requested by Sherrards on behalf of Wenda in a letter dated 30 May 2023. This was served by the Defendants on 28 March 2024. It was apparent that Wang Jinhong, rather than the Defendants' solicitors, had conducted the searches for documents relevant to the List of Issues for Disclosure on behalf of herself,

Syner and Effs. Wenda complains that the Defendants' solicitors were therefore unable to verify (i) whether scanned hard copy documents were complete and accurate reproductions of the originals or (ii) that data had been properly extracted from back-up storage.

86. Wenda served its Disclosure Certificate on 28 March 2024. It had searched devices and email accounts for 13 employees of Wenda and its subsidiaries and I am told, in due course, served c. 22,494 documents. Each of the Defendants eventually served a Disclosure Certificate on 3 April 2024. The Defendants disclosed 106 documents. A further Disclosure Certificate was served by Wang Jinhong on 10 May 2024 because, following further discussion with her legal representative, she had carried out further searches and produced additional documents.
87. On 11 April 2024, Wang Jinhong, Syner and Effs made an application to discharge the PFI Order which was heard on 16-17 July 2025 by Mr Lance Ashworth KC sitting as a judge of the High Court at which Wenda was given leave to adduce witness evidence responding to an allegation, made orally by the Defendants' counsel, that it had deliberately withheld information on the issue of whether it had knowingly breached its duty of full and frank disclosure on its without notice application before Mr Justice Jacobs on 26 November 2021. Mr Lance Ashworth KC dismissed the application to discharge the PFI Order and granted its continuation until trial.
88. On 7 June 2024, Wenda had applied for an order that HIF should disclose pursuant to CPR r.31.10 four categories of documents relating to the operation by Syner of the HIF facility and/or the terms governing that relationship. The application was granted by HHJ Pelling KC, sitting as a Judge of the High Court on 13 August 2024. 89. In 2024, a specific dispute arose between the parties as to the provenance and use by Wang Jinhong of privileged documents which led to orders by HHJ Pelling KC, sitting as a Judge of the High Court on 14 October 2024, against the Defendants and Penningtons for delivery up of what have been termed the Pennington Documents and the WJH Exhibit Documents. This was finally disposed of by an order of David Quest KC, sitting as a Judge of the High Court, on 23 January 2025.
90. On 17 September 2024, Wenda made a further application in the High Court of the Hong Kong Special Administrative Region, Court of First Instance against CCB which was heard by Deputy High Court Judge Le Pichon on 18 October 2024. CCB was ordered to give disclosure of all of the bank statements held by it in relation to a specific bank account held by Wang Jinhong (and/or all of its sub-accounts (if any)) for the period from 14 February 2017 to the date of the order. Provision was also made for Wenda to identify and request further disclosure in relation to the source and destination of payments relating to specific transactions identified by it.
91. On 11 July 2025, as reflected in an order made by David Bailey KC, sitting as a Judge of the High Court, the Defendants undertook to provide by way of disclosure by 4pm on 28 July 2025: (i) the bank statements from 2012 to date for the Syner Euro Account; (ii) the bank statements from 2012 to date for the bank account held by Wang Jinhong under the alias

Rachael Arkwright with NatWest (account no ending 607) identified as the RA Account (1); (iii) the identity of the counterparty and counterparty account detailed for 7 specific transactions between Wang Jinhong using the account held by Wang Jinhong under the alias Rachael Arkwright with NatWest Bank identified as the RA Account (2) and Syner; (iv) bank statements for Wang Jinhong and Syner's China CCB Accounts to date and (v) bank statements for a specific NatWest account (account no ending 133) to date.

92. On 11 December 2025, HHJ Pelling KC, sitting as a Judge of the High Court, approved a Consent Order which permitted Wenda to rely on a Re-Amended Particulars of Claim and a Re-Re-Amended Reply. The principal change to the pleaded case at this stage was that Wenda clarified the amount of its claim following disclosure and service of its expert report. Wenda now claimed US\$4,187,160 (excluding interest) whereas it had previously claimed a net amount of "about US\$ 4-6 million, and possibly as much as US\$4,354,253.96". At the same time, Wang Jinhong and Mr Petit agreed to provide witness statements on behalf of themselves and Effs explaining: (i) what steps they took to preserve Effs' bank statements (a) before 6 December 2021, and (b) after 6 December 2021 and (ii) exhibiting all correspondence with DBS Hong Kong concerning the Effs/DBS US\$ Account.
93. On 20 December 2025, the Defendants served their Re-Amended Defence.
94. On 22 December 2025, the Defendants (through Lawdit) disclosed 128 previously undisclosed documents. These principally comprised confirmations of payments from the Effs/DBS US\$ Account which had been sent to Wang Jinhong's email account Jinhong_wang@ymail.com (the Yahoo account) during the period 9 October 2013 to 4 January 2017 (the Yahoo emails). These are now relied upon by the Defendants to show that certain expenses were paid to third parties on Wenda's behalf. Wenda complains that this disclosure ought to have been made earlier and asks the Court to reject as false the explanation given by Wang Jinhong for their late disclosure.
95. Shortly before the trial before me started, I approved the terms of a Consent Order dated 21 January 2026 whereby BOC agreed to provide third party disclosure of bank statements in relation to 4 accounts of Wang Jinhong (and including those for any bank accounts held by her in the alias names of Rachael Arkwright or Rachel Arkwright) and one account of Syner held at BOC for the period from 1 January 2013 to the date of the order. : The Applicable Legal Principles
96. There is a significant degree of common ground as to the applicable legal principles. 97. I remind myself that the proper approach to the evidence of fact in cases in the Business and Property Courts is that it is always important to have regard to the contemporaneous documentation and that there is a need to take particular care when considering the reliability of evidence adduced by factual witnesses, especially where it is either not supported by the contemporary documents or contradicted by them.
98. The correct approach is by reference to the well-known and well-established cases including the decisions of Leggatt J. in *Gestmin SGPS SA v Credit Suisse (UK) Limited*

- [2013] EWHC 3560 (Comm) at [15]-[22] and *Blue v Ashley* [2017] EWHC 1928 (Comm) at [66]. 99. In *Gestmin* at [22], the Judge said: “... the best approach for a judge to adopt in the trial of a commercial case is, in my view, to place little if any reliance at all on witnesses’ recollections of what was said in meetings and conversations, and to base factual findings on inferences drawn from the documentary evidence and known or probable facts. This does not mean that oral testimony serves no useful purpose - though its utility is often disproportionate to its length. But its value lies largely, as I see it, in the opportunity which cross-examination affords to subject the documentary record to critical scrutiny and to gauge the personality, motivations and working practices of a witness, rather than in the testimony of what the witness recalls of particular conversations and events. Above all, it is important to avoid the fallacy of supposing that, because a witness has confidence in his or her recollection and is honest, evidence based on that recollection provides any reliable guide to the truth.”
100. The principles were summarised recently in *Jaffe v Greybull Capital LLP* [2024] EWHC 2534 (Comm) by Cockerill J. at [195]- [201] and have been consistently applied by the Courts. In particular, I remind myself that evidence based on recollection of what was said in undocumented conversations which occurred several years ago is especially problematic and that memory is generally unreliable given the number of different ways in which it can be adversely affected by the time a witness comes to make their witness statement and to give oral evidence at trial.
101. Extra judicially, there was an important lecture given by Popplewell LJ in 2023: “Judging Truth from Memory” dealing with the value of recollection, the nature of the fact-finding exercise in commercial litigation, the science of memory and the problems which result from the faulty encoding of memories.
102. Materially in this case, I note that reference was also made by Cockerill J. in *Jaffe* at [199] to the particular difficulties where factual evidence is being given by persons not in their first language or through an interpreter, which can raise particular difficulties when assessing the demeanour of witnesses.
103. In a fraud case, the claimant bears a heightened burden of proof in the sense that cogent evidence is required to overcome the inherent unlikelihood that what is being alleged is true. However, it is permissible for the Court to proceed by way of inference from circumstantial evidence because, in such cases, the whole is often stronger than the individual parts – see per Picken J in *Kazakhstan Kagazy Plc v Zhunus* [2017] EWHC 3374 (Comm) at [159] citing the observations of Rix LJ in *JSC BTA Bank v Ablyazov* [2012] EWCA Civ 1411 at [52].
104. Wenda’s primary case is that Syner and Effs were express trustees.

105. I was referred by both parties to Snell's Equity (35th ed, 2024) at paragraph [22-013] which provides that: "No particular form of expression is necessary for the creation of a trust if, on the whole, it can be gathered that a trust was intended. It is unnecessary for the settlor to use the word "trust": the court construes the substance and effect of the words used, against the background of any relevant surrounding circumstances. Indeed, the settlor need not even understand that his words or conduct have created a trust if they have this effect on their proper legal construction. Conversely, it is not enough that the settlor describes the transaction as a trust if on its proper construction the transaction was not intended to operate as a trust. The settlor's intention must be clear on two main questions: (1) that they intended the trustee to owe legally enforceable duties rather than duties of a mere social or moral nature; (2) that if they intended to create a legal relationship, it was to involve trust duties as distinct from some kind of legal relationship, such as a simple relationship of debtor and creditor".
106. The authors of Civil Fraud (1st edition, 2022) at paragraph [9-013] refer to the need for certainty of words/intention and describe the essential characteristics of a trust as "a relationship in which the holders of specific property will be subject to enforceable obligations to hold that property for the benefit of others". Thus, persons who take upon themselves the custody and administration of property on behalf of others, are actual trustees and subject to fiduciary duties, even though they have not been appointed – see *Mitchell v Al Jaber* [2025] 3 WLR 849 at [45].
107. The authors of Lewin on Trusts (20th ed, 2024) at paragraph [2-001] describe the necessary conditions for an express trust as: (1) there must be competent parties, that is settlor, trustees and beneficiaries; (2) there must be proper trust property; (3) the trust must be constituted by a method recognised by law; (4) the trust must comply with the requirements for the essential validity of trusts and (5) the trust must be for a lawful purpose.
108. As to the particular fulfilment of these conditions here, it is accepted on behalf of the Defendants that the putative trust contended for between Wenda, as settlor and beneficiary, and Syner and Effs as trustees is theoretically capable of constituting an express trust and that there is nothing unlawful in the alleged arrangement whereby Syner and Effs hold the revenues derived from the invoice financing arrangement on trust for Wenda. As Wenda's counsel stressed in their written closing submissions, the relevant trust property contended for by Wenda is not the debts owed by the customers to Syner rather it is the proceeds of those sales in the form of monies received from lenders or customers.
109. At the time of the alleged agreements between Xiong Wei and Wang Jinhong in 2012, the relevant advances did not exist but it is common ground here that future property is capable of constituting the proper subject matter of a trust provided the declaration or assignment is for valuable consideration– see Lewin on Trusts (29th ed, 2024) at [2- 036], *Tailby v The Official Receiver* (1888) 13 App Cas 623 at 546 and *In re Gillott's Settlement* [1934] Ch 97 at 108-109 and 111. The trust will take effect when the property (if any) is acquired – see *Re Turcan* (1888) 40 Ch D 5 at 10-11.

110. Although Wenda's pleaded case had relied in the alternative on an implied trust, this was not really pursued in closing. Mr Milnes KC did argue that a second basis for the express trust arose because Syner had agreed to transfer the proceeds of the invoice financing arrangement to Wenda and that when Syner received them, the beneficial interest vested in Wenda.
111. Wenda then submits that even if Syner/Effs were not express trustees, they nevertheless owed fiduciary duties in respect of the invoice financing arrangement. I was referred to the important decisions of the Supreme Court in *Hopcraft v Close Brothers Ltd* [2025] UKSC 33 and *Mitchell v Al Jaber*, supra at [35] to [41].
112. I am particularly assisted by the detailed review of the circumstances in which fiduciary duties arise and the relevant authorities at [82] to [110] of *Hopcraft* for the following propositions: 112.1. At [82], the Court confirmed that in discussing the law on fiduciary duties they were adopting the sense in which that term had been used by Millett LJ in *Bristol and West Building Society v Mothew* [1998] Ch 1 at 16 and approved by Lord Walker of Gestingthorpe in *Hilton v Barker Booth & Eastwood* [2005] 1 WLR 567 at [29] being the duties which are peculiar to a fiduciary, and the breach of which attracts legal consequences differing from those consequent upon the breach of other duties and which attract those remedies which are peculiar to the equitable jurisdiction and are primarily restitutionary or restorative, rather than compensatory. 112.2. At [83], the Court noted that the categories of fiduciary relationships are not closed but that "[i]n a commercial setting the task is to find in a particular context the boundary between normal (self-interested) arm's length activity and the circumstances in which equity recognises fiduciary duties of one of the commercial parties requiring that party to put aside his or her own interests and act altruistically in the interests of another". 112.3. At [84], that the paradigm of a fiduciary is a trustee acting under an express trust when the no conflict rule and the no profit rule apply to regulate the fiduciary's behaviour. 112.4. At [85], that the courts have tended to proceed in the commercial sphere by drawing analogies with the obligations of a trustee under an express trust, for example, in their treatment of company directors as fiduciaries of their company, of partners as fiduciaries of their partners in relation to partnership property and of solicitors in relation to the client's funds or property which the solicitor handles, and that a person who voluntarily assumes a well-known type of role which is generally assumed to be fiduciary will have undertaken a fiduciary obligation. 112.5. At [86], that the "relationship between a principal and agent is another well-known example of a relationship which may give rise to fiduciary obligations where the agent has undertaken to act on behalf of a principal in circumstances which brings into being a relationship of trust and confidence". 112.6. At [89], citing *Mothew*, that the distinguishing obligation of a fiduciary is the obligation of loyalty and that a fiduciary is not subject to fiduciary obligations because he is a fiduciary; it is because he is subject to those duties that he is a fiduciary. 112.7. At [90], that "[t]he key principle is therefore that a fiduciary acts for and only for another. He owed a single-minded loyalty to his principal, meaning that he cannot exercise any power in relation to matters covered by his fiduciary duty so as to benefit himself. Accordingly, if a

person is a fiduciary then he must not put himself in a position where his interest and that of the beneficiary might conflict (the no conflict rule), subject to the principal's informed consent. In addition, or perhaps in consequence, he must not receive a personal benefit from his fiduciary position (the no profit rule), subject again to the principal's informed consent". 112.8. At [93], that an objective test is applied and a person may be treated as having undertaken fiduciary duties when that person has never applied his or her mind to such an undertaking. 112.9. At [97], that the existence, in a commercial context, of trust and confidence between parties to a transaction is not of itself sufficient for equity to impose fiduciary duties on one of the parties towards the other but that the trust and confidence characteristic of a fiduciary relationship is founded on the acceptance by one party of a role which requires exercising judgment and making discretionary decisions on behalf of another and constitutes trust and confidence in the loyalty of the decision-maker to put aside his or her own interests and act solely in the interests of the principal. 112.10. At [100], that there must be the assumption of responsibility by the fiduciary to act exclusively on behalf of the other in the conduct of the other's affairs which can arise where a fiduciary has expressly undertaken to exclude his or her own interest and those of third parties when acting but also where the objectively assessed circumstances enable equity to identify such an undertaking in the acts of the fiduciary. 112.11. At [102], that it is important not to distort the commercial bargain between the parties to a contract by too readily implying fiduciary obligations into the commercial relationship. 112.12. At [108], that "the vulnerability which is the typical characteristic of a person to whom a fiduciary duty is owed, is a consequence and not a cause of a fiduciary relationship". 112.13. At [110], that a commercial transaction or arrangement, in which one party has a personal financial interest, known or apparent to the other party, in bringing the transaction into fruition, is not one in which an undertaking of undivided loyalty and altruism can readily be implied into a contract or such a duty recognised by equity.

113. So far as concerns Wenda's claims based on constructive trust and/or its equitable proprietary claim, a constructive trust will arise over any unauthorised profits obtained by a trustee or fiduciary as a result of his position as fiduciary and/or in breach of fiduciary duty – *FHR European Ventures LLP v Capital Partners LLC* [2014] UKSC 45 at [29] to [46]. For an equitable proprietary claim to arise, there must be identifiable property over which the claimant has a beneficial interest although the necessary identification may result following the application of well-established equitable tracing rules.
114. Insofar as Wenda seeks to establish the liability of Wang Jinhong on the basis that she dishonestly assisted in breaches of trust and/or breaches of fiduciary duty on the part of Syner and/or Effs the relevant principles are set out in *Snell's Equity* (35th ed, 2004) at [30-078] to [30-082]: 114.1. Dishonest assistance is a kind of accessory or ancillary liability which depends on the defendant's wrongful participation in a primary breach committed by the trustee. 114.2. The defendant must have lent assistance to the commission of a primary breach of trust, or some other breach of duty by a person in a fiduciary relationship with the claimant. 114.3. The defendant's assistance in the breach of trust must have been given

dishonestly which is an objective standard which implies a more serious degree of fault than ordinary negligence.

115. I agree with Mr Jones that the relevant test for dishonesty in this regard is that set out in *Barlow Clowes v Eurotrust International Ltd* [2006] 1 WLR 1476 at [15] – [16] as applied in *Ivey v Genting Casinos (UK) Ltd* [2018] AC 391 at [74] and, in the context of dishonest assistance in *Group Seven Ltd v Nasir* [2020] Ch 129 at [33]-[61].
116. As Lord Hughes put it in *Ivey* at [74]: “When dishonesty is in question the fact-finding tribunal must first ascertain (subjectively) the actual state of the individual’s knowledge or belief as to the facts. The reasonableness or otherwise of his belief is a matter of evidence (often in practice determinative) going to whether he held the belief, but it is not an additional requirement that his belief must be reasonable; the question is whether it is genuinely held. When once his actual state of mind as to the knowledge or belief as to facts is established, the question whether his conduct was honest or dishonest is to be determined by the fact-finder by applying the (objective) standards of ordinary decent people. There is no requirement that the defendant must appreciate that what he has done is, by those standards, dishonest”.
117. Wenda also alleges that Wang Jinhong and/or Effs are liable in knowing receipt. The relevant elements of a claim for knowing receipt are (i) a transfer of assets/rights in breach of trust or breach of fiduciary duty; (ii) beneficial receipt, retention of and/or dealing by the defendant of such assets or rights or their traceable substitutes over which the claimant has a subsisting equitable proprietary interest and (iii) knowledge on the part of the defendant which renders the receipt or retention of or dealing with the assets/rights unconscionable – see *Bank of Credit and Commerce International (Overseas) Ltd v Akindele* [2001] Ch 437 (CA); *El Ajou v Dollar Land Holdings Plc* [1994] 1 All ER 685 at page 700 as clarified by the Supreme Court in *Byers v Saudi National Bank* [2023] UKSC 51 at [10], [66] and [130]-[133].
118. Wenda also brings a claim in tort for unlawful means conspiracy against Wang Jinhong, Syner, Effs and Mr Petit. It is common ground that the necessary elements of this tort are: (i) a combination or understanding between two or more people; (ii) an intention to harm the claimant which in the case of unlawful means conspiracy need not be the sole or predominant intention – it is sufficient if the defendant intends to advance its economic interests at the expense of the claimant; (iii) an unlawful act carried out pursuant to the combination or understanding and (iv) loss to the claimant suffered as a consequence of that unlawful act – see *Salt Ship Design AS v Prysmian Powerlink SRL* [2021] EWHC 2633 (Comm) at [425]. As observed in *Lakatamia Shipping Co Limited v Su* [2021] EWHC 1907 (Comm) at [86] direct evidence of the combination is not essential and is rarely present.

119. Wenda also brings against Wang Jinhong a further claim for inducing Syner/Effs' breach of contract with Wenda. Again it is common ground that the elements of this tort are: (i) actual knowledge on the part of the defendant that they were inducing a breach of contract which includes so-called "blind eye knowledge"; (ii) an intention to procure the breach of contract and (iii) actual breach of a contractual obligation – see the judgment of Lord Hoffman in *OBG Ltd v Allan* [2008] 1 AC 1 at [39]-[44].
120. Finally, Wenda claims in deceit against Wang Jinhong in relation to the claim under the accommodation agreement. The relevant elements of this tort are: (i) a representation made to the claimant; (ii) the representation was false; (iii) the defendant knew that the representation was false or had no belief in its truth or was reckless as to whether it was true or false; (iv) the defendant intended the claimant to rely on the representations; (v) the claimant relied on the representation and (vi) the claimant suffered loss as a result. My Approach to the Evidence:
121. The evidence in this case derives from three principal sources: (i) the contemporaneous documents; (ii) the factual witnesses and (iii) the expert evidence.
122. However, it is important to stress that whilst I go on in this judgment to refer to my overall conclusions and my findings on specific aspects of the case by reference to each type of evidence, I have taken the totality into account. Although in a relatively long judgment it is necessary for me to deal with my findings sequentially, I have taken all my findings into account at each stage as well as having regard to the cumulative effect of my findings. The Documentary Evidence:
123. As to my consideration of the documentary evidence, this falls into two parts.
124. As well as considering the extensive number of documents in the trial bundles (which extends to well over 4000 documents many of which are in Chinese Mandarin and have been translated) upon which the parties rely, I must consider the documents that do not now exist, especially if that is the consequence of a party having destroyed or failed to preserve documents.
125. First, as I have already indicated, in relation to the central question of the nature of the invoice financing arrangement between Wenda and Syner and the factoring arrangement between Wenda and Effs, there are simply no contemporaneous documents and no retrospective documentation evidencing the actual underlying agreements. There is no written contract and no deed of trust in relation to the arrangements between Wenda and Syner and no written contract governing the relationship between Wenda and Effs. There is also nothing in writing which sets out the nature of the relationship between Syner and Effs.
126. Secondly, I must consider the extent to which documents which are known or might be expected to exist, are not before the Court. In my judgment, it is appropriate to have regard to a lack of documentation where it is: (a) likely to be relevant to the issues which I have to decide and (b) ought to have been in the possession of and disclosed by the relevant party

either to assist their case or because it was obviously material to the issues in this case. At one end of the spectrum lie cases where a witness has deliberately failed to comply with orders for disclosure by deliberately suppressing evidence, which is analogous to the deliberate destruction of evidence, as either way the Court is deliberately deprived of documents that should be before it – see *Lakatamia v Su* [2021] EWHC 1907 (Comm) at [910]. The Court may draw adverse inferences against a party who has destroyed or otherwise failed to preserve evidence when litigation was in contemplation and after the commencement of litigation, even if that was not deliberate – see *Earles v Barclays Bank Plc* [2010] Bus LR 566 at [29]-[30] and [37].

127. Wenda submits that the Defendants have comprehensively failed to comply with their disclosure obligations and invites the Court to draw adverse inferences in that regard. As I have already described, the most significant of these are: (i) the Effs bank statements prior to January 2017 which have not been disclosed at all; (ii) the late disclosure of the emailed confirmations of payments in the Yahoo account and (iii) in relation to Mr Petit, who has given no disclosure at all. Wenda submits that the Court should infer that the Defendants have not given proper disclosure or permitted their solicitors to discharge their duty of supervision because they knew that it would reveal the fraud against Wenda.
128. It is clear from the evidence that there was a serious dispute between the parties from, at the latest, August 2018. The evidence before me suggests that Mr Leslie, who was employed on behalf of Syner as an accountant between November 2013 and March 2015, kept and maintained for it Sage accounting records, management accounts and other ledgers but none have been disclosed when I would expect them to have been and nor has any explanation been provided.
129. As early as October 2022, the parties had agreed the List of Issues for disclosure and that it should be largely on the basis of Model D extended disclosure as settled by the terms of the Butcher Orders. The Butcher Orders clearly required the Defendants to provide a compliant DRD but none was provided until 26 March 2024 (following the further orders made by Foxton J on the restored CCMC) as the procedural chronology set out above shows. Bearing in mind the serious allegations being made against the Defendants, it was in my judgment wholly inappropriate for the task of searching for and identifying relevant documents for disclosure to be left largely to Wang Jinhong.
130. So far as Effs' bank accounts were concerned, the Butcher Orders had provided for their disclosure in support of Wenda's proprietary injunction and for the purpose of tracing assets. In particular, paragraph 10 of the Butcher Order provided that if the Defendants had not been able to obtain bank details and statements falling within that Order, they were to "immediately provide to the Claimant's solicitors their written consent to the Tracing Banks providing the Tracing Bank Information to the Claimant's solicitors. In that event, D1, D2 and D3 must provide their consent in whatever form the Tracing Banks may require and shall not withdraw their consent at any time". Despite being a named custodian in the DRD and the sole director and shareholder of Effs since August 2018, Mr Petit has disclosed no

documents at all.

131. DBS disclosed bank statements for the Effs/DBS US\$ Account for the period 19 January 2017 to 7 August 2023 pursuant to the order of the Hong Kong court. I was taken at some length through the correspondence relating to disclosure of the DBS Hong Kong bank statements and Wang Jinhong was cross-examined extensively in relation to it and in relation to her responsive witness evidence. She rejects Wenda's suggestion that she has withheld bank statements and says that the bank statements would in fact assist her to prove her case that she had not stolen any money from Wenda.
132. So far as the hard copy bank statements are concerned, in the account opening form for Effs/DBS US\$ account, completed by Wang Jinhong, the correspondence address given was her home address and that remained the case throughout even when she moved to 37 Lewes Road. Despite that, Effs has disclosed no bank statements in these proceedings.
133. Wang Jinhong says that she made a complete hard copy set of the Effs/DBS US\$ account bank statements as part of complaints made by Xiong Wei which were being investigated by the Dalian FTZ police department and that, as at 27 August 2018, they were held in her office at Wenda until that office was "forcibly raided" in her absence by associates of Xiong Wei. I am not satisfied that explanation is correct. If, as Wang Jinhong says, she had taken hard copies of the bank statements because of false allegations made against her by Xiong Wei, she would not have left her only copies at Wenda's offices. Moreover, the first time that this explanation was given was in Wang Jinhong's nineteenth witness statement in December 2025.
134. So far as later attempts to obtain copies are concerned, it is clear that from October 2022, DBS Hong Kong's position was that it required a proof of identity in hard copy before the statements would be released. In her nineteenth witness statement, Wang Jinhong said that this was despatched to the bank on 29 October 2022 by international courier. However, this is inconsistent with what JMW were saying at the time in their letter to Sherrards dated 13 January 2023.
135. I have seen a letter from Mr Petit (on behalf of Effs) dated 17 November 2022 to DBS consenting to the release of the statements to JMW and Sherrards although it appears this was only sent as an attachment to JMW's later letter dated 17 January 2023. Although that letter requested that DBS Hong Kong release the statements, the bank's position in January 2023 was that it would only release them upon Effs providing its written consent or pursuant to a valid court order enforceable in Hong Kong.
136. Wang Jinhong accepted in cross-examination that she did not send the signed original form to DBS Hong Kong after January 2023 and although she immediately qualified that by saying that she does not remember sending it again, there is nothing in the documents to say that she did. Although by March 2023 DBS Hong Kong had been sent a further copy of a request on behalf of Effs signed by Mr Petit, it is clear that they did not regard it as acceptable because it was Wang Jinhong not Mr Petit who was the relevant mandate holder (and that

remained the case after he became a director and shareholder). By the time an order was made on Wenda's application for disclosure against DBS Hong Kong in January 2024, the bank's routine document destruction policy meant only bank statements for the period from January 2017 were disclosed.

137. Although Wenda suggests that the reference in Wang Jinhong's email to Jimmy Pang of DBS Hong Kong on 12 January 2023 to "another letter regarding confidentiality of information" was her express instruction to the bank not to release the Effs bank statements to Sherrards, I cannot accept that without the email itself being before the Court. Not least it is inconsistent with the entire thrust of the earlier correspondence in which the solicitors for Effs had repeatedly confirmed that Effs consented to DBS Hong Kong providing the bank statements to Sherrards.
138. In the account opening form for the Effs/DBS US\$ account, completed by Wang Jinhong, Effs had opted for the "IDEAL" and "DBS eAdvice" services which means that it was sent automatically generated inward and outward payment notifications for payments exceeding zero to the Yahoo account. These email confirmations contain the same information as would have appeared on Effs' bank statements.
139. On 22 December 2025, the Defendants disclosed 107 of these "eAdvice" notices for the first time albeit only for the period 9 October 2013 to 4 January 2017. Wang Jinhong asserted for the first time in her nineteenth witness statement dated 22 December 2025 that Effs' access to its online account was cut off in December 2021 but there is no evidence of that and her explanations (in her nineteenth and twentieth witness statements) of how she was eventually able to access the documents (by permitting a friend to take Wang Jinhong's mobile phone to Japan in order to circumvent China's banning of Yahoo) verge on the farcical and begs the question why she was not able to do so before.
140. In short, save that I do not accept that Wang Jinhong expressly instructed DBS Hong Kong not to disclose the Effs/DBS US\$ account bank statements, I accept the submissions made by Wenda as to the inadequacy of the Defendants' approach to their disclosure obligations. At the very least, there has been a culpable failure to preserve Effs' bank statements/other eAdvice emails which are still incomplete. The timing of the disclosure of the last tranche of 128 documents in December 2025, which was after the experts had provided their respective reports, and after they had met and produced their joint statement which noted at [3.20] and [3.21] that the absence of Effs' bank statements prevented them from carrying out a full analysis of Effs' receipts and payments, suggests to me that the Defendants have chosen to be selective and only to disclose those documents when it suited them in order to further drive down the quantum of Wenda's claim.
141. I have concluded that the proper inference I should draw is that, to the extent that there is any doubt created by the absence of the Effs' bank statements/bank documents, it must be resolved in favour of Wenda.

142. In fairness to him, Mr Jones, Counsel for the Defendants did not (in his written Skeleton Argument or written or oral closing) seek to defend the Defendants' approach to their disclosure obligations.
143. However he did submit forcefully that Wenda has also failed to disclose: (a) all of Wenda's own SAP accounting software which would show payments to and from Wenda and Syner/Effs; (b) bank statements for more than ten other Wenda bank accounts (aside from those accounts in respect of which documents have been disclosed), some of which have been shown to have received money from Effs; and (c) all of the banking records of Wenda America and Cape Chile.
144. So far as Wenda's SAP records are concerned, the explanation given by Mr Milnes KC in opening was that these had been manipulated by Wang Jinhong and Wang Qingli and so they are not reliable but that would not be a reason for not disclosing them.
145. In the trial bundles before me, there is evidence that Wenda has disclosed documents in relation to two US\$ accounts with CCB; one Euro account with CCB; a US\$ account with Huaxia Bank (Huaxia); one US\$ account with Agricultural Bank of China (AgBank) and one account with BOC. I am satisfied, based on Mr Jones's cross-examination of Wenda's witnesses and Wenda's forensic accountant expert, that Wenda has, or at least had, other bank accounts in respect of which no disclosure has been given.
146. So far as Wenda America and Cape Chile are concerned, Mr Jones submits that Wenda has been selective in disclosing the banking information showing payments out rather than payments back from Syner or Effs. Again, it seems to me that there is some force in this. However, it seems to me that the question of whether there are any gaps which are material turns on my evaluation of the robustness of the expert evidence overall.
147. Mr Jones also relies on the absence of the Effs statements and the absence of any disclosure of Mr Petit's personal bank statements as part of his general submission that, overall, the documentary evidence is unreliable.
148. The difficulty with these submissions is that the Defendants have throughout been represented by experienced commercial solicitors who agreed the terms of section 2 of the DRD and no application for specific disclosure was ever made on behalf of the Defendants and so the first time that any sustained complaint was made was during this trial. Moreover, so far as the Effs bank statements are concerned, as I have already found, the failure is one for which the Defendants themselves are clearly culpable. The Factual Witnesses:
149. I heard evidence on behalf of Wenda from Xiong Wei, Liang Yanni (both with the assistance of Mr Zhou Yu as interpreter in Chinese Mandarin) and Mr Patron (with the assistance of Mr Guillermo Urbina Valdes as interpreter in Spanish). Wang Jinhong and Mr Petit gave evidence on behalf of the Defendants. I summarise below my view of the general reliability of their evidence.

150. I have set out earlier in this judgment, the proper approach of the Court to witness evidence in cases in the Business and Property Courts, especially as to the fallibility of memory, especially in fraud cases. As Leggatt J put it in *Gestmin* at [64] although the test remains an objective one, when considering a witness's recollections of an oral agreement, the Court can consider their subjective understanding and post-contract conduct (which are otherwise inadmissible on the question of the proper construction of a contract) as these may be a good guide to how, in their context, the words used would reasonably have been understood.
151. Those general observations would lead to me being cautious in any event when approaching the witness evidence in this case. In addition to those general observations, I bear in mind firstly, the particular difficulty in relying on witness recollection in relation to the evidence as to the principal events some of which took place in 2012, some 14 years ago. Secondly, when considering the credibility and demeanour of all the witnesses, I have regard to the fact that only Mr Petit gave evidence in his principal language. Xiong Wei, Liang Yanni and Mr Patron all gave evidence through an interpreter and Wang Jinhong gave evidence in English when her native language is Chinese Mandarin. The Claimant's Factual Evidence:
152. Xiong Wei was a measured and excessively cautious witness. Although I am invited to take him as an honest and straightforward witness whose evidence should be accepted, there are specific reasons for me to be especially cautious when considering his evidence.
153. First, in his evidence in chief Xiong Wei has claimed consistently that his recollection of events is very good and he does not need to refer to documents. I refer as examples only to paragraphs [51.3], [88], [91.7], [143] of his eighth witness statement. I would be cautious in any event about accepting such confident assertions as to events which took place 14 years ago. But as I have noted the factual basis of Wenda's case changed significantly after service of its amended pleading and the corrections which Xiong Wei made in his sixth witness statement. When he made his first affidavit, Xiong Wei had confidently, but wrongly, said that the customer contracts were made with Wenda, not, as he now accepts, Syner. In cross-examination, Xiong Wei's explanation for this was that there were tens of thousands of emails and he had not managed to read them all and that the focus had been on the amount of the claim. As was put to him in cross-examination, there were clearly relevant documents in Wenda's possession referring to the operation of the double invoicing Scheme by Syner and Wenda, including emails between him, Wang Jinhong and Mr Silva on 19 December 2011, 4 January 2012, 16 August 2013 and 20/21 October 2013. His explanations for this, which involved variously blaming others, saying that the focus was on searching for emails in 2014, and that a hard disk had formatting issues were rambling, evasive and confused.
154. I also have to have regard generally to the admissions made by him in relation to the operation by Wenda of the double invoicing scheme and the inflated invoices scheme, both of which were plainly dishonest. When he came clean about these in his sixth witness statement, he said at [23] that he was not aware of all the details of the arrangements which, in the light of the emails I have just referred to, cannot really be true.

155. Furthermore, Xiong Wei's sixth witness statement refers to the double financing scheme but makes no reference to the inflated invoices scheme which Xiong Wei also accepted was irregular. This practice was sustained and substantial. Xiong Wei's evidence was that "Sometimes the amount was doubled, sometimes they were seven times or eight times or nine times higher", the practice had been going on since 2009 and the total financed by inflating the invoices was about US\$4m.
156. I do not accept that Xiong Wei had no memory of these dishonest arrangements, or that he forgot about the detail or why it was needed, at the time of swearing his first affidavit in these proceedings. Xiong Wei accepts that the commercial purpose of these schemes was to improve Wenda's cashflow which could be used to assist its business. His evidence is that, at least in the early stages, he hid the double financing from the general managers in the overseas subsidiaries and exaggerated Wenda's cashflow problems in order to maximise the switch of customers to Syner.
157. I have concluded that when it suits Xiong Wei, or he perceives it to be in Wenda's commercial or financial interest, Xiong Wei is perfectly prepared to be selective in giving truthful evidence. I approach his evidence with caution save where it is corroborated by contemporaneous documents or accords with the innate probabilities of the situation.
158. In several respects the written evidence of Xiong Wei did not comply with Practice Direction 57AC governing witness statements in the Business and Property Courts because it contained extensive comment on documents.
159. Liang Yanni gave evidence on the third day of the trial. She joined Wenda only in late 2016 at a time when the invoice financing arrangement was winding down and was unable to give direct evidence on its operation between 2012 and 2016. She replaced Wang Qingli. Her evidence was largely directed to two issues: (i) Wenda's record keeping processes in relation to its sales and (ii) an investigation she carried out to establish (a) the total number of sales of Wenda's products that were made through Syner and Effs and how much Syner and Effs should have paid Wenda in respect to those sales; (b) the amounts in fact paid by Syner and Effs to Wenda and (c) what Wenda's financial records say about the expenses that each of Syner and Effs paid on behalf of Wenda. She accepted that her evidence on this was derived from reading Wenda's documents and records. In many respects her evidence on these points has been superseded by the expert testimony of Wenda's forensic accountant which I deal with below. She also gave some evidence in relation to the Synergitec loan and in relation to an incident on 28 April 2025 at Wenda's offices involving Wang Jinhong.
160. Liang Yanni was an exceptionally cautious and careful witness. Given her principal role had been as investigator, it is perhaps not surprising that she was unwavering in her view that Wang Jinhong and Wang Qingli had artificially manipulated documents, including what she identified as the C1 and C2 ledgers. However, she also confirmed in cross-examination that Wenda's financial reports do not state that any debt is due from Syner or Effs and that Wenda had Euro accounts with the BOC, AgBank and Huaxia, in respect of which disclosure has not

been given.

161. I am satisfied that she was honest and generally doing her best to assist the Court and I can accept her evidence unless contradicted by the contemporaneous documents.
162. Mr Patron also gave evidence on the third day of the trial. His evidence was principally directed to Wenda's business model and the Wenda overseas subsidiaries part in it. In particular, although it is not especially controversial and the split between them has changed over time, he explained the differences between Wenda's "indent" business and its "distribution" business.
163. In cross-examination, he was asked about a table in Wang Jinhong's tenth witness statement at [85]. Although he confirmed it was broadly correct, he rejected her use of the term "Cost Table" (favouring "net price") and that there was a "10% reserve". He accepted that on indent sales customers are charged an element above the cost price for financing interest and insurance, that the interest rates related to customers buying on different payment terms and that, if customers were paying in advance or paying very quickly, they would not be charged interest or insurance. So far as distribution business is concerned, Mr Patron said he treated Syner and Effs as being part of Wenda and he accepted that the notarised Cape Chile statements annexed to his second witness statements did not show all of the transactions between Cape Chile and Syner/Effs.
164. So far as his payments were concerned, Mr Patron said that there was in practice no distinction between salary and commission. He accepted by reference to emails and an invoice that he was shown from 2014 that the source of his payments had changed and that it was probably coming from Effs, that the same happened for Mr Orloff's payments and that from February 2017, it was probably paid from Wenda's HQ in China. He also accepted that he had sometimes received other payments from Effs and referred to three such occasions, one of which was for a fee in relation to a substantial foreign exchange transaction that went through Cape Argentina.
165. Although his evidence is not central to the issues I have to determine, Mr Patron was a straightforward and honest witness who did his best to assist the court. The Defendants' Factual Evidence:
166. Wang Jinhong's first language is Chinese Mandarin but she made her witness statements in English and, save for one or two occasions where she used the assistance of the interpreter, gave her oral evidence in English. On occasions, she spoke very fast which made it very difficult to understand her answers. It was necessary for me to follow it very closely with the assistance of the live transcript and I have been able to refresh my memory by reference to the written transcripts of the hearing. She gave her evidence over 2.5 days.
167. In my judgment, Wang Jinhong was an unsatisfactory witness for several reasons. I have concluded that unless corroborated by contemporary documents or by commercial good sense, I am unable to take her evidence at face value.

168. On several occasions I found her to be deliberately obtuse and evasive. She is plainly highly intelligent and, as one might expect from an experienced former CFO of a multi-national business, highly financially literate. As is apparent from my factual summary by the time she came to give evidence in this trial, she was an experienced litigator, in the UK, China and the United States of America. She was able to anticipate the direction of the questioning in cross-examination, in particular as to the provenance or importance of documents, and either to insulate herself as to the thrust of the question or to pivot as to the relevant facts. She was forced to retreat from positions she had taken when they did not accord with the documents she was shown. On occasion, she simply did not answer the questions when there was no real reason not to do so. At other times, this led her to be argumentative and combative and to seek to argue her case or make speeches.
169. When asked why she had not exhibited relevant emails with DBS Hong Kong she said for the first time that there had also been a lot of calls as well as emails but gave no details of when the calls took place.
170. When asked why there was nothing in the documents to indicate that she had told Xiong Wei about Syner's independent trade, Wang Jinhong said that she mentioned this to him but that maybe there was nothing in writing. When asked why none of her witness statements mentioned such a conversation, she first said there was no need to mention it (which made no sense). When asked again, she at first said that she had not been referred to any document but then repeated that she did not feel she needed to mention it. This was a pleaded issue. Bearing in mind it represented just under half of its business, Wang Jinhong's evidence that she did not know whether Wang Qingli knew about it was wholly unconvincing.
171. In particular, I have reached an assessment of Wang Jinhong's evidence and honesty in relation to five core factual matters that are in dispute between the parties on which I am asked to make findings. The first concerns the fake HIF invoices. The second concerns her knowledge of the double financing scheme. The third matter concerns the alleged operation by Syner of 'a factoring business', and a related question of whether Wang Jinhong had secured a "free credit" facility from HSBC. The fourth issue concerns Wang Jinhong's approach to disclosure. The fifth issue concerns the use and operation by her of the business tables.
172. Although as I have described there is no issue that the fake HIF statements are fake, an issue arises between the parties as to how the fake HIF statements were created and whether Xiong Wei or Wenda knew about them at the time. I have set out in my factual narrative, how Wenda's later investigation in 2018 revealed the forgery. Given that issue is important as to how I view the veracity and credibility of the witnesses, especially Wang Jinhong, it is appropriate to deal with it now.

173. As to their creation, on 19 June 2014, Wang Jinhong sent an email to Wang Qingli with the subject heading “FW: Interest and commission-HSBC invoice” and attaching three genuine invoices from HIF. The email states: “These are HSBC’s service invoice and interest invoice. Currently a total of USD 16,000 interest has been incurred, and approximately USD 45,000 in service fees. See if this works. I think we just need to change the company name. If it works, then treat all your previous ones as accruals, and now offset the accounts with the invoices”.
174. On 23 June 2014, Wang Qingli sent an email to Cao Hongwei with the subject heading “FW: Format” stating: “Just don’t need the table in the middle. Thanks”. Later the same day, Cao Hongwei replied under the subject heading “RE: HSBC invoice format” with an edited version of the table which had been transposed into a new Microsoft Word document with the content removed (in effect, creating the HSBC client statement in blank form). On the same day, Wang Qingli sent the email on to Wang Jinhong stating: “This form, you have a look” to which Wang Jinhong replied: “I think it works. How do you think? Also please talk it with Xiong when he is back. Don’t forget it”.
175. In her tenth witness statement at [59], Wang Jinhong described these as “suspicious bank interest invoices, instructed directly by Xiong Wei. I raised concerns with him and C’s financial manager on multiple occasions” and at [64] “This self-evident HIF Invoices are created and used purportedly for balance C’s accounting”.
176. When cross-examined about this, Wang Jinhong did not seek to maintain the position that Xiong Wei had instructed the creation of the fake HIF invoices but suggested that he must have known about them because Cao Hongwei, the IT manager, worked under Liu Jian, Xiong Wei’s wife. These are self-evidently very different things.
177. As I have just noted, in Wang Jinhong’s email to Wang Qingli dated 23 June 2014, Wang Jinhong had told her, in English, to talk about the HIF invoices with Xiong Wei when he was back. This was apparently the only time that Wang Jinhong used English in an email with Wang Qingli and Wenda’s counsel invites me to infer that this was Wang Jinhong creating a deliberate cover if she was ever discovered and so she could implicate Xiong Wei. I regard this as a bit far-fetched (even by the standards of this unusual case) but I accept that even if Wang Qingli did speak to Xiong Wei at the time (which he denied) she would not have told him that the interest and commissions did not reflect the sums in fact charged by HIF.
178. Although I approach his evidence with caution, bearing in mind that I have found that Xiong Wei has been party to, or at least condoned, the creation and use of dishonest invoices at least in connection with the double invoicing scheme and the inflated invoices scheme, I accept that he did not know about the fake HIF invoices. It would simply make no sense for him to have investigated the issue in the way he did in 2018 if he already knew about them.
179. In my judgment, it was Wang Jinhong who was behind the creation of the fake HIF invoices and her evidence to the contrary must be rejected. She was asked about an email that she had sent to Xiong Wei much later on 9 December 2016 as part of the discussions about reconciliation of the accounts in which she said: “What can be confirmed is: the interest in

the accounts is far less than this amount” and it was then put to her that she did not at that time claim that the figures for interest in the HIF invoices were wrong. Wang Jinhong was unable to give a coherent answer and was driven to suggest that there was some difficulty with the translation of the document.

180. Ultimately, Wenda submits that the fabrication of the fake HIF invoices is a powerful indicator that Wang Jinhong was operating the invoice financing arrangement for her own fraudulent gain and that it also undermines her case as to the true nature of the agreement made back in 2012. I accept this submission.
181. The second issue concerns Wang Jinhong’s knowledge of the double financing scheme. Although in my judgment, Wenda has probably overstated its case on this point by claiming that Wang Jinhong was the person who conceived it, I also cannot accept that Wang Jinhong did not know about the double invoicing scheme. She was included in numerous emails in 2013 and 2014 with the Latin American subsidiaries which show that she was involved in the creation of the 18-step standard operating procedure (SOP) for the Syner sales, for example, an email sent to her and Xiong Wei by Mr Geissler on 24 October 2013.
182. In a later email trail on 11 July 2014 with Mr Geissler and Xiong Wei, Wang Jinhong refers to: “No, we can’t take the risk. Even if someday we have to do so, we must discuss firstly and only tell the others when we have the common sense” to which Xiong Wei responds: “It makes no sense to have everyone to share the risk in China”.
183. In her tenth witness statement at paragraph [49] Wang Jinhong’s evidence had been that: “My understanding at that moment was that these “Proforma” mocked by C’s subsidiary would be used for internal purposes only, aiming to simplify procedures and reduce internal documentation workload”.
184. That was plainly wrong and, in my judgment, deliberately dishonest and an attempt by Wang Jinhong to distance herself from the dishonest double financing scheme.
185. The third matter concerns the alleged operation by Syner of a ‘factoring business’ and a related question of whether Wang Jinhong had secured a “free credit” facility from HSBC. The position is a complex one which Wenda says it has been able to put together only as a result of the forensic investigations conducted as part of this case but broadly speaking, it relates to the so-called ‘factoring business’ worksheets included in business tables one and two. Wenda says these show that Syner has been charging an excessive interest rate of 10% and a commission rate of 1% calculated by reference to the invoice value, rather than the factorised amount which means the effective cost of borrowing the factorised amount varies between 12% to 16.3%.
186. Wenda also submits that it is the ‘factoring business’ worksheets which contain many examples of what Wenda alleges to be the invoice value understatements and what its forensic accountancy expert has referred to as the “NASD Shortfall” (meaning the instances he has identified where the amounts paid to Wenda for the factoring amount and balance

amount are different from the amount that should have been paid, by reference to the amounts calculated as being due on the business tables and instances where the factoring amounts and balance amount have simply not been paid at all to Wenda) (the NASD Shortfall).

187. Aside from not being part of what was agreed, Wenda makes the point that their analysis has shown that, contrary to Wang Jinhong's evidence, the factorised amount was not paid up front for 100 of the 154 invoices examined and so there was no commercial justification for such high costs of borrowing.
188. When Wang Jinhong was asked about the justification for charging Wenda such high interest, she said it was because Syner needed to repay its lender or because Syner was financing Wenda's distribution basis and that Xiong Wei had agreed to Effs charging 10% interest on that type of financing. Wang Jinhong did not identify who the relevant lender was, but I agree with Wenda's counsel that this appears to relate to the true status of what I have referred to as the US\$2.2m initial investment and Synergitec. I deal with my specific conclusions on that issue later in this judgment. As to her second point, Xiong Wei's unchallenged evidence was that he agreed to Effs charging 10% interest in July 2014. That must be correct because, so far as I can see from the factual summary, Effs only came on the scene in July 2014 so it cannot have been a justification for the basis of the earlier trade through Syner.
189. Wenda's case is that Wang Jinhong lied about this at the time and claimed to have obtained a "free credit" facility from HSBC as early as August 2013 when, in fact, there was no financing facility at all until January 2014 and so all that she was doing was "recycling" the US\$2.2m initial payment, which was, on its case, Wenda's initial investment into Syner.
190. When she was cross-examined about what she had told Mr Silva and Xiong Wei in August and September 2013 about the facilities which she had negotiated from HSBC, in particular, her assertion that she had obtained two facilities or parts of a facility of 3 million and 1 million, she referred instead to the initial US\$2.2m which had been invested by Wenda. When pressed to point to any document evidencing a free credit facility from HSBC, which was not tied to the bank checking the buyers, she initially accepted there was no document. Mr Milnes KC started to put to her that the idea that HSBC agreed to give Syner a US\$1.5m credit facility without there being any documentation was fanciful when she interjected to say: "No, I do not think so. I do not remember. That just discussed". When asked then what were the relevant terms of the facility which she was now saying had been agreed orally, her answer referred to an audit which simply made no sense.
191. Ultimately, Wenda submits that Wang Jinhong's statements about a free credit facility were a deceitful device intended to ensure that sales would be processed through Syner so that Wang Jinhong could begin accumulating capital in Effs by purporting to charge high levels of interest and commission on the purported lending to Wenda. I also accept this submission.
192. The fourth issue which is especially relevant for me to consider when

assessing Wang Jinhong as a witness concerns her approach to disclosure including the use by her and those associated with her of aliases in connection with the ownership of assets. As I have already set out, she was cross-examined at length about the unsatisfactory steps taken by her to obtain the statements for the Effs/ DBS US\$ bank account and the failure by Syner to disclose the SAGE account and other financial records. I have already rejected her explanation for the late disclosure of the Yahoo emails.

193. As part of her disclosure of assets pursuant to the proprietary and freezing injunction, Wang Jinhong disclosed ownership of the property at Huntingball Lodge, Blue Anchor, TA24 6JP (Huntingball Lodge) and that it was owned under the alias name of Rachael Arkwright. Huntingball Lodge appears to be associated with a company with the name Huntingball Lodge Self Catering Limited (HB Limited).
194. Wang Jinhong was ordered by the Butcher Order to state all that she knew about the beneficial owner of HB Limited. In her second witness statement dated 30 September 2022, Wang Jinhong stated at [35] that HB Limited was a third-party hospitality business run and owned by Gigi Petit (stated to be the daughter of Mr Petit) and Richard Xavier (stated to be Gigi Petit's partner) and expressly disavowed that Richard Xavier was an alias.
195. In a further third witness statement dated 2 November 2022 at [6] and [7], Wang Jinhong said that she had consulted Companies House for HB Limited which showed that Richard Xavier was the sole shareholder and that to the best of her knowledge, information and belief, Richard Xavier was the beneficial owner of all of its shares. In truth, as was finally confirmed in her oral evidence in this trial, Richard Xavier is an alias adopted by Wang Jinhong's son, Haoran Xia, who had adopted that name in or about March 2020. I am satisfied that Wang Jinhong's evidence on this was deliberately misleading and intended to conceal assets from the Court.
196. Wang Jinhong was also asked about a payment of £62,521 on 25 June 2019 from her NatWest account, held in the name of Rachael Arkwright, to YVA solicitors with the narrative "House". In her oral evidence Wang Jinhong said that this probably related to Huntingball Lodge, but as was demonstrated by the relevant title register, the payment in fact relates to a 10% deposit on a different property 118 Gilson Place, Coppetts Road, London (118 Gilson Place) which was purchased on 22 August 2019 for £620,000 in the name of Richard Xavier. As evidenced by the relevant bank statement, the balance of the purchase monies of 118 Gilson Place of £557,500.00 was paid on 25 June 2019 from an account held by Wang Jinhong with the BOC.
197. Although she denied it when asked about it, Wang Jinhong was shown bank statements for an HSBC account in the name Rachael Arkwright showing regular monthly payments of £3,000 per month which Wenda says is consistent with her receiving this amount as rent. Wang Jinhong was unable to explain why the copy of her bank statement exhibited to one of her witness statements had been edited to remove the relevant transaction narrative relating to 118 Gilson Place. Wang Jinhong's attempt to explain this by reference to the RIR in place

was simply not sustainable.

198. There are other aspects about Wang Jinhong's disclosure of assets which give rise to concerns. Wang Jinhong accepted in cross-examination that she had not disclosed (under the terms of the freezing injunction made by Jacobs J. in November 2021) a bank account with CCB. Wenda obtained the bank statements for this account through its application in Hong Kong. The bank statements show a positive balance of US\$105,000 at the time of that court order. Wang Jinhong's explanation for the failure to disclose was that it had been inactive for years and frozen. However, as Wenda's counsel pointed out Wang Jinhong had disclosed other frozen accounts in her asset disclosure and she has made no attempt to explain how or when the account was frozen.
199. Wang Jinhong was also asked about an inward remittance to one of her bank accounts with BOC which showed that £921,256.98 had been sent from an account at the Royal Bank of Scotland on 29 December 2015. She was unable to identify the relevant account. The BOC statements also showed an inward remittance of US\$2.1m on 11 January 2016 from yet another account in respect of which Wang Jinhong has not provided disclosure.
200. Overall, I am satisfied that Wang Jinhong's approach to her disclosure obligations was wholly unreasonable and improper. In particular, I am unable to accept that it was impossible for Effs to keep or retain copies of its own bank statements and I am satisfied that Wang Jinhong's failure in this regard was deliberate.
201. The fifth issue concerns the business tables. Wang Jinhong was cross-examined extensively about the business tables. At several points, Wang Jinhong was excessively pedantic and evasive (for example, initially querying whether a Syner invoice was genuine because it was stamped not signed).
202. More substantively, when asked about a specific invoice (no 32017302465) for US\$254,206 dated 25 September 2013 and the corresponding payment entry in Syner's bank statements, she was unable to explain why the equivalent amount entered in the business table was for only US\$38,373.03. Twice she queried if the documents related to the same transaction. She was not able to explain why the business tables apparently understate invoice values and the amounts actually received by Syner/Effs (by US\$747,279, according to Wenda's expert evidence).
203. It was put to Wang Jinhong that contrary to the case of the Defendants, the business tables do not record the transaction between Wenda and Syner as being an intercompany sale. Rather as I have already set out, they calculate the sums due to Wenda by applying interest and/or commission charges against invoice values and/or factored sums. Wang Jinhong's evidence had been that the price paid by Syner to Wenda was based on Wenda's "Cost Table" price but Wang Jinhong was unable to explain why the interest rate from the June 2014 cost table was used until mid-2017 when rates of interest would not have remained static.

204. As part of this lengthy section of the cross-examination, Wenda's counsel Mr Milnes KC put various other points to Wang Jinhong where the relevant entries appear to have the effect of depressing the amount due to Wenda. It is not practical to replicate that degree of detail in this judgment. Although she challenged in a broad sense the accuracy of Wenda's expert, Mr Aslin's, conclusions, Wang Jinhong was not able to offer any, or at least any coherent, answers.
205. Close to the end of giving her evidence, in re-examination by her counsel, Wang Jinhong suggested for the first time in evidence (as opposed to in party/party correspondence) that the depression of sums apparently due to Wenda (which Wenda puts at c. US\$1.4m) was intended to reflect sums paid to third parties on behalf of Wenda but which were not recorded in the business tables.
206. She said: "This table recorded the activity in the (unclear) and as a payment, but for some payment to third parties are not recorded in this table, because this was ... [W]e suppose there is 200 invoice and I make a payment for 200. In the payment 200, maybe 150 paid to Wenda, and another 50 paid to third party on behalf of Wenda. This 50 were not recorded at this table. Then for third parties, the payment to third parties, this 50 were missed. Then some invoice remark actually has been paid, they were paid to third party, but we cannot measure them because the payment to third party were not recorded there".
207. I reject this explanation. It makes no sense for the business tables, which were Syner's and Effs' internal working documents, not to record all of the payments to third parties. In his Skeleton Argument for this trial, at [51.4] the Defendants' counsel Mr Jones describes the business tables as being spreadsheets which Wang Jinhong updated and sent regularly back and forth with Wang Qingli. It is implicitly their case that these are genuine. In her twentieth witness statement dated 19 January 2026, Wang Jinhong challenged Wenda's forensic accountant's reliance on the business tables. Further, if Wang Jinhong knew that Effs had made payments to third parties on behalf of Wenda, she could and should have obtained copies of Effs' missing bank statements to make good this argument but, for the reasons I have already set out, she failed to do so. I also note that during the long section of cross-examination on the invoice value and NASD shortfalls, Wang Jinhong had not suggested that this was a relevant explanation.
208. Based on this analysis, I am of the view that Wang Jinhong has been untruthful and dishonest to the court in relation to the operation of the invoice discounting arrangement.
209. Mr Petit gave evidence for a short period on the sixth day of the trial. Earlier in the trial, he had become slightly unwell when Wang Jinhong was giving her evidence, and this explains why at the outset of his cross-examination Mr Milnes KC referred to him possibly feeling faint. He was a difficult witness to assess. He is plainly strongly protective of Wang Jinhong whom he regards as his friend and because he believes she, and to a lesser extent he, is being unfairly victimised by Wenda. He was prone to speechifying and deflecting straightforward questions with long, rambling and not wholly coherent answers. On

occasions, he directed questions back to the cross- examiner or the Court. I certainly cannot take his answers at face value.

210. By way of example, he was asked the straightforward question whether, to the best of his knowledge, his daughter Gigi had ever been the girlfriend or partner of Wang Jinhong's son, Haoran. Bearing in mind it was a question qualified by reference to his own knowledge, it ought to have been capable of a yes or no answer. Mr Petit answered: "I have no idea. May I further add to that, because the question is so narrow, limited in scope, as to be not functional. She has – maybe over the last 12 years I might have known two or three people she has considered friend". This was neither a proper answer nor a fair criticism of the question.
211. Mr Milnes KC persisted by pointing out that he had only asked Mr Petit about what he knew. Mr Petit answered: "I said I know nothing. In other words, she does not discuss it with me, I do not ask her, and in that way she is not inconvenienced, and likewise my son. They know what my regard is, and I am considerably stricter than I might appear. Therefore, within the family I am generally excluded from personal liberties which they feel they might be able to take that I would find acceptable". Even allowing for the slightly formal or archaic language of speaking, which was fairly typical of the way in which Mr Petit answered questions, this was still not an answer.
212. Mr Milnes KC put the question for a third time to which Mr Petit's answer was: "You have just asked me a question which I have indicated to you I have no knowledge to be able to answer".
213. It was put to Mr Petit that he knew enough about Wang Jinhong's job and earnings from Syner that he must have known there was a mismatch between the level of her property buying and the level of her salary. Mr Petit's response was: "I do apologise ma'am, I would hate to – let me put it – how can I put this straight to you? In answer to what you stated, clearly being so far removed from understanding even a portion of the picture. What I am trying to say, ma'am, is what he is suggesting is not only wrong, it is - I will not go further, because counsel has warned me that they are entitled to say whatever they chose, they being those that are on the counsel". This was not an answer to the question.
214. Although he had given some evidence in chief in his witness statements, Mr Petit was unable to explain why he wished to become a shareholder in Effs, other than that it was easier to take over an existing business than start from scratch. He initially accepted that Effs continued to be managed by Wang Jinhong, although then qualified it by saying that she remained in charge of banking. I have set out above my findings as to the deficiencies in relation to disclosure by Effs and Mr Petit was unable to give any proper explanation. He accepted in cross-examination that he had received some money from Wang Jinhong and was asked in re-examination whether he could say how much money he had received from her but was unable to do so. When I asked Mr Petit over which period, he said prior to 2020 and after 2015. The Expert Evidence:

215. The Butcher Orders gave permission for the parties each to adduce the evidence of an expert forensic accountant to deal with: (i) the quantum of Wenda's invoice financing arrangement claim and (ii) Wenda's tracing claim.
216. The experts both interpreted this, fairly, to mean dealing with the following: (i) to establish the value of the sales that Wenda made through Syner and Effs over the period 2012 to 2017; (ii) to identify how the HIF facility operated, including establishing that Wenda sales were processed through the HIF facility; (iii) to establish that amounts were paid to Syner and Effs in respect of Wenda sales; (iv) to quantify the amounts paid to Wenda from Syner and Effs; (v) to carry out an analysis of the business tables, identify the amounts reported in those business tables and the amounts Wenda was expected to receive on each sale and (vi) to calculate the amount owed to Wenda, based on the work carried out above and with reference to the parties' interpretations and

submissions.

217. Wenda's expert is Mr Thomas Aslin (Mr Aslin), a partner in Moore Kingston Smith (MKS). Mr Aslin's evidence is contained in his first expert report dated 20 October 2025 (TA1); his first supplemental report dated 15 December 2025 (TA2) and his second supplemental report dated 12 January 2026 (TA3).
218. The Defendants' expert is Mr Azad Majid (Mr Majid), a director of AzTax Consulting Limited (AzTax). His evidence is contained in his first report dated 20 October 2025 (AM1); his first supplemental report dated 15 December 2025 (AM2) and a second supplemental report dated 20 January 2026 (AM3).
219. Pursuant to the directions given, the two experts met on a without prejudice basis on 3rd, 11th, 18th, 20th and 26th November 2025 and then produced for the Court a Joint Statement dated 28 November 2025 (the Joint Statement of Experts).
220. The written expert forensic accountancy evidence in this case is extensive. The Joint Statement of Experts itself runs to 48 pages. M Aslin and Mr Majid were both cross-examined on day 7 of the trial. I am very grateful to them for their assistance.
221. Mr Aslin is head of MKS's forensic accounting services department and has specialised in forensic accounting since qualifying as a Chartered Accountant in 2002. He has acted as an expert witness and given evidence in a number of cases.
222. Mr Majid is a Chartered Tax Adviser, whose areas of expertise include tax restructuring and conducting financial investigations. He was assisted in preparing his report by Ahmad Khajwa, a consultant with Aztax and a Fellow of the Association of Chartered Certified Accountants. Beyond that brief explanation Mr Majid did not exhibit a more detailed curriculum vitae. He explained in cross-examination that he specialises in corporation tax, international tax, capital taxes, tax accounting and global mobility. He has an impressive record as a tax adviser. However, as he also fairly accepted, he had never before done a

forensic accountancy investigation and has never previously acted as a party appointed expert giving evidence in civil proceedings.

223. There was therefore a marked difference between the two experts both as to their respective qualifications and their experience. This was also reflected in the way in which they gave their evidence.
224. I found Mr Aslin to be thorough, careful and willing to make appropriate concessions. It was obvious from his written reports and from the way in which he gave evidence that he was very comfortable doing so and understood how best to assist the Court. His reports are detailed and forensic and plainly involved him in a significant amount of work. In particular, he was careful not to try to usurp the fact-finding function of the Court. His general approach was to: (i) ascertain the amounts paid by the customers in respect of the relevant invoices processed under the invoice financing arrangement being the invoices identified by him in his "Sales Invoice List" (SIL); (ii) ascertain the amounts paid by Syner and Effs to Wenda based on the available bank statements and (iii) identify the alleged expenses referred to in the business tables and the Yahoo emails and to categorise them for the assistance of the Court. However, Mr Aslin has not otherwise used the business tables for the calculation of what might be due to Wenda.
225. In his written reports, and his contributions to the Joint Statement of Experts, Mr Majid has placed significant emphasis on the absence of documents and his assessment of the limitations of the task he was being asked to undertake owing to the lack of documentary evidence, a stance which, as I have already set out, has been adopted and reinforced by Counsel for the Defendants in his submissions.
226. So far as his written reports are concerned, Mr Majid broadly accepted in cross-examination that his first report boiled down to saying "I have not been provided with a contemporaneous, properly prepared, clear and correct set of accounts for this invoice financing arrangement, therefore I think the situation is all very unclear".
227. Some of this was clearly justified. He pointed out for example that a schedule produced by Wenda America was not an official bank statement, but an internal document prepared by an employee. He was plainly right to stress the limitations arising from the missing Effs bank statements. He also noted that even Wenda's own evidence pointed to it having been engaged in a significant practice of invoice under/over statement.
228. However, in some instances it appeared that the criticism was not justified because documents existed which he had simply not considered or interrogated. For example, he was asked about the HSBC source data and a credit note for US\$983,840 which he had said was missing and which he had said significantly undermined the reliability of the dataset. When it was put to him that it was not missing at all, just in a separate document or entry he had seen, he was very reluctant to concede the point. He then said that "In all honesty, we did not look at it in any great detail. From my perspective, when you have a document that has 66 million compared to 41 million, it was fundamentally flawed. I should not be required

to be taking out multiple documents”.

229. When giving his live evidence Mr Majid was nervous and, at times, uncomfortably aware of his role. He struggled on occasions to keep up with the questions and was a bit defensive. At several points in the written evidence, he simply reserved his position or deferred to the Court.
230. Whilst I am satisfied that Mr Majid went about his task honestly with the intention of assisting the Court he simply did not have the necessary experience of acting as a forensic accountant conducting this type of investigation or the necessary experience of having his reports being under the scrutiny of cross-examination. I approach Mr Majid's evidence with considerable caution for these reasons.
231. However, importantly, Mr Majid did not challenge Mr Aslin's methodology from a forensic accountancy perspective or much of its detail and I have used his reports and his comments in the Joint Statement of Experts to sense-check what Mr Aslin says. The Invoice Financing Arrangement Analysis and Findings: –
232. The first issue I have to determine is what were the terms of the agreement made in 2012 regarding the invoice financing arrangement? In particular: (a) did it impose expressly or impliedly trust or fiduciary obligations on Syner and/or Effs regarding the proceeds received from HIF and/or Wenda's overseas buyers/subsidiaries (Wenda's primary case); or (b) did it impose contractual obligations only (the Defendants' case and Wenda's secondary case) and if so, on what basis? This raises factual issues as to what was actually agreed in 2012, legal issues as to what is required for the imposition of trust/fiduciary duties and, if they exist, as to the availability of the equitable remedies claimed by Wenda.
233. In broad terms, Wenda's position is that the agreement was that Syner and/or Effs were required to account to Wenda for all monies received from financing companies and customers invoiced via Syner and/or Effs, net of the specific costs to be incurred by Syner and/or Effs, including financing expenses, Wang Jinhong's salary, Wang Jinong's trips to China, and other costs required to keep Syner in good standing.
234. In their Closing Submissions at [79], the Defendants invite the Court to find that the agreement made between Xiong Wei and Wang Jinhong in 2012, when construed objectively, was that: (i) Syner would sell goods provided by Wenda to customers (chiefly in Latin America); (ii) at prices consistent with what Wenda (through its relevant subsidiaries) had set (which generally followed the approach of a base price covering Wenda's costs of production/sourcing and a minimum profit element, plus an increased element intended to cover financing interest and insurance); (iii) Syner would raise financing on the receivables from those sales through HIF (iv) Syner would pay to Wenda most of the sums advanced by HIF to cover the costs of Syner purchasing the goods, but would retain in Syner the increased element of the price; (v) and would deduct all payments which Syner/Effs had advanced to third parties under Wenda's instructions (including rebates, credits and repayments to customers, and payments to Wenda's subsidiaries or employees).

235. In my judgment, at its heart here there are two key points of difference between the parties. The first is whether the transaction between Wenda and Syner was intended to reflect a genuine intercompany sale (or as the Defendants put it, a classic sub- contracting paradigm), which is related to whether, in order to secure the HIF financing Syner had to be an actual English, commercial, going concern capable of generating sufficient profit to pay interest to HIF and to be enforced against. The second is whether any profits realised from the cheaper interest rates available in the UK would accrue to Syner rather than to Wenda.
236. In line with the guidance in *Gestmin*, especially given the passage of time since 2012, my focus is primarily on the documents that do exist (albeit with the important cautionary note that in this case even some of the documents cannot be taken at face value), the admissible factual matrix and the inherent probabilities rather than the witness's evidence as to recollection of relevant events although that can be of assistance in demonstrating the personality, motivations and working practices of the witnesses.
237. In his eighth witness statement at [91], Xiong Wei deals with what he says was agreed in 2012 and, in particular about the expenses to be paid by Syner. The Defendants make the fair point that this paragraph is as much about what was not agreed between him and Wang Jinhong as was agreed. He says it covered financing costs, salary and rent for Wang Jinhong and rent for an office in the UK as well as necessary business costs such as travel, entertaining financing companies or required professional services. He says he trusted Wang Jinhong to use her common sense to determine what costs were necessary to obtain financing on behalf of Wenda. At [91.3], Xiong Wei accepts that he did not agree a particular time by which Syner should remit monies to Wenda.
238. Wang Jinhong's pleaded case and her evidence in her tenth witness statement at [84] and [85] was that Syner was required to pay to Wenda what she terms "claimant payments" derived from Wenda's "cost table" and that the amount would be recorded in the business tables.
239. Xiong Wei's evidence was that the cost table was used by the product managers in China to establish the net price of the goods and other costs of sale which would then be communicated to the subsidiary to enable them to quote a price for the goods and was never shared with Syner or anyone else. As I have already set out, while Mr Patron accepted Wang Jinhong's broad description of the process, and that if there was no or only a minimal lag on payment between Syner and Wenda (because of the financing from HIF), Wenda did not need to be compensated for its own interest exposure on financing he did not recognise the reference to "cost table" in the way she uses it.
240. Wang Jinhong's evidence falls far short of saying that any of this was agreed in 2012 and I reject it as being inherently improbable and not supported by the documents. In particular, there is simply nothing in the witness evidence or the documents, to indicate that there was any discussion about Syner retaining any element of the price as its profit.

241. So far as the relevant factual matrix is concerned, it is common ground and, in any event clear from the documents I have seen, that the main purpose of setting up Syner was to access cheaper invoice financing available in the UK which would help Wenda's cashflow. That is what Wang Jinhong had told the Chinese court. I accept, because it is inherently probable that this was discussed, that Wang Jinhong told Xiong Wei that the interest rates available in the UK were lower compared with in China (which they both knew were about 8%). Wang Jinhong talked about lower interest rates in her emails to Mr Silva and Mr Orloff. Insofar as Wang Jinhong has suggested that it was a primary objective also to develop Wenda's import business, it is not clear what she means, but in any event, there is no evidence to support this.
242. However, in my judgment it is also clear that for Xiong Wei another advantage of obtaining finance through Syner was that it enabled Wenda to obtain double financing in the way I have described.
243. It is common ground that Syner was incorporated as a subsidiary of Wenda. In the document filed by Wang Jinhong in the Chinese court she had said that: "SYNER LTD did not actually have business. It mainly served as an offshore company of Wenda overseas to assist Wenda Company". This is inconsistent with Wang Jinhong's case now that Syner was intended itself to trade independently and to derive profit from that trade.
244. As I have already said, Syner's independent trade accounted for just under half of the entire trade. As to that, Xiong Wei's evidence in chief and orally was that he and Wang Jinhong did not ever discuss whether Syner would engage in any other activity beyond obtaining financing for Wenda's sales. I have already rejected as inherently improbable Wang Jinhong's evidence that this was discussed with Xiong Wei. I accept Xiong Wei's evidence that this was not discussed. Rather Wenda's case, which I accept, is that it must have been obvious that Syner would not do so because the only purpose of incorporating Syner was to improve Wenda's financial performance and cashflow. Xiong Wei points to the fact that Wenda's business was trading in food ingredients, not financing other businesses. Xiong Wei says, and I accept, that he would never have agreed to Syner trading with entities outside the Wenda Group.
245. The Defendants stress that the real contracts with customers show purchases from Syner not Wenda and that the entire operation of the HIF facility presupposed that it was Syner which legally and beneficially owned the debts. As to this, the documentary and oral evidence which emerged at trial (including the drafting of the relevant SOP) was that it was Wenda which handles all the operations from procurement, quality control, logistics and the submission of sales documents to Syner which then passes the documents on to HIF/the relevant customers. Thus, Syner does not itself have the power or ability to agree sales with customers or to perform them. It seems to me Wenda is right to submit that what HIF was concerned about was that Syner should have title to the debts, not the underlying goods. The only document of title was the bill of lading which identified Wenda as the owner at the time of shipment and that it was sufficient for Syner to be owner for a mere scintilla temporis. It

was not however necessary for there to be a true intercompany sale between Wenda and Syner.

246. The Defendants also say that HIF would simply not have been prepared to lend to a company that was not a true, independent trading entity. Whilst I accept Wang Jinhong may have thought that was the case, there is simply no witness or documentary evidence to say that was communicated by HIF to Wang Jinhong or that she communicated it to Xiong Wei. Xiong Wei's evidence in chief was that he did not see the agreement between Syner and HIF at the time and, had there been any documentary evidence to the contrary, it would have emerged on disclosure. The witness evidence falls short of saying that any of the terms of the HIF facility were even communicated to Xiong Wei. HIF did not require any assurances or promises beyond the usual warranties and covenants as to its credit risks and it is common ground that HIF had the benefit of an assignment of debts and an all-monies guarantee from Wenda covering the whole facility.
247. It is submitted by the Defendants that the later conduct of the parties is consistent with the findings they invite me to make as to what was agreed in 2012. They submit that the arrangement operated for years with Wang Jinhong providing a running update to Wenda's finance team via the working business tables and that Wenda never raised any concerns. The difficulty with that is that: (i) there is simply no evidence showing that the business tables were ever shared with anyone in Wenda other than between Wang Jinhong and Wang Qingli, at least prior to the investigations begun at the end of 2016 and (ii) Xiong Wei's evidence was that when Wang Jinhong sent money there was no matching of payments with transactions and never any reconciliation of the sums due from Syner/Effs to Wenda. That evidence is corroborated to some extent by the evidence of both experts. Wenda, and in particular, Xiong Wei, can be fairly roundly criticised for sitting back and not properly interrogating the position but that is not the same as saying they knew about it, far less agreed to it.
248. I very much doubt that there was a discussion of any real depth in 2012 between Xiong Wei and Wang Jinhong beyond what I have already identified. If there had been, notwithstanding the accustomed informality within the Wenda group, I would have expected it to be recorded in an email.
249. Construed objectively, I find that what was agreed between Xiong Wei and Wang Jinhong in 2012 was that: (i) Syner was to be established as a subsidiary of Wenda solely in order to enable Wenda to access cheaper invoice financing available in the UK; (ii) Syner would sell goods provided by Wenda to Wenda's customers (chiefly in Latin America) using shipping documents provided by Wenda and in accordance with an invoice financing SOP to be drafted by Wang Jinhong and communicated to the Wenda subsidiaries; (iii) Syner would raise finance on the receivables from those sales through HIF; (iv) Syner would timeously account to Wenda for the sums advanced by HIF or customers but without any specific time period for repayment save that (v) Syner was entitled to deduct from the revenue derived from the sale of the goods all its necessary costs derived from the sale of goods (including

financing costs, salary and rent for Wang Jinhong, rent for an office in the UK as well as necessary business costs such as travel, entertaining financing companies or required professional services).

250. Although not expressly discussed between them, I find that it was implicitly understood and agreed, because the sole purpose of establishing Syner was to enable it to access cheaper invoice financing, that: (i) Syner was not authorised to make or retain any profit (or arbitrage on the interest rate savings on the financing obtained in the UK) and (ii) Syner was not permitted to carry out its own independent trade or to utilise the HIF invoice financing facility for that purpose.
251. However, in my judgment this arrangement falls well short of being the express or implied trust which has been argued for by Wenda. In this case at least, the real importance of this issue lies in determining where the burden of proof lies. It is common ground that Wenda has the burden of proving that, in 2012, Xiong Wei and Wang Jinhong expressly agreed that Syner would be required to hold the future proceeds of the invoice financing arrangement on trust for Wenda or would be accountable as if it is a trustee. A trustee subject to a duty to account has the burden of proving the authorisation of all retentions and expenses and making good the account insofar as any of those monies cannot be shown to have been authorised.
252. I have already set out that it is not a bar to the establishment of a trust that the invoice financing arrangement was concerned with future property. However, I agree with Mr Jones that the written and oral evidence of Xiong Wei does not even begin to say that there was an actual agreement with Wang Jinhong to impose an express trust over those future proceeds. Xiong Wei was asked specifically what he recalled about the actual words used in his discussions with Wang Jinhong in 2012, but he was largely unable to do so save by reference to the contextual points that the interest rate and insurance rate was particularly low and that Wenda could still carry on all of the financing in China and it would increase Wenda's cashflow. In my judgment, whilst the parties clearly reached an agreement which was supported by consideration in the form of the parties' mutual promises, the evidence falls short in establishing the alleged trust.
253. Although as I have explained by reference to the relevant authorities, the nomenclature used by the parties is not decisive, it is significant here that Xiong Wei accepted that he knew and understood the concept of a trust as it exists in English law but has never used the Chinese terms for "trust", "trustee" or "beneficiary" to describe the agreement. I note in particular that this was not the language used by anyone in Wenda in late 2016/early 2017 when they were seeking reconciliations of the position from Wang Jinhong. It was also not the language used by Xiong Wei in his important, corrective sixth witness statement even though its express purpose was to correct the errors which had been made when putting Wenda's case first time round.

254. It is not suggested here that different principles apply to the later arrangement with Effs. If anything, it seems to me that the case is even stronger because by the time Effs came on the scene in about July 2014, the arrangement with Syner was up and running so Wenda had the opportunity to clarify the basis on which Effs and Wenda were intended to do business but did not do so. In his eighth witness statement at section 7, Xiong Wei deals with the introduction of Effs by refreshing his memory about Wang Jinhong's long email to him dated 3 July 2014. He says it was complicated and difficult to understand but he had the opportunity at the time to clarify it, especially given that he acknowledges that a headline point was that Wang Jihong was identifying problems with Wenda's international money flows and proposing her solution to them. That Xiong Wei did not do so is to my mind illustrative of a recurring trend in his approach to the arrangements Wenda had with Syner and Effs. Provided Wenda's cashflow was being improved or maintained, he was perfectly willing to turn a blind eye to the detailed way in which things were being done.
255. Importantly here, there was no express requirement for Syner or Effs to keep the trust property separately and although I have found that, construed objectively, Syner was not permitted to trade independently, that had not actually been discussed between the parties. The agreement which I have found afforded Syner and Wang Jinhong a significant degree of flexibility and discretion as to: (i) the timescale for payment to Wenda; (ii) payment of Syner's expenses and (iii) in relation to the crafting and operation of the SOP which is inconsistent with there being a trust.
256. However, that is not the end of the matter because Wenda's secondary case is that Syner and Effs nevertheless owed fiduciary duties to Wenda in relation to its operation of the invoice financing arrangement.
257. I have referred extensively to the decision of the Supreme Court in *Hopcraft* which has informed me in reaching my decision on this point. By way of emphasis, I note that: 257.1. At [83], the Court noted that the categories of fiduciary relationships are not closed but that "[i]n a commercial setting the task is to find in a particular context the boundary between normal (self-interested) arm's length activity and the circumstances in which equity recognises fiduciary duties of one of the commercial parties requiring that party to put aside his or her own interests and act altruistically in the interests of another". 257.2. At [89], citing *Mothew*, the Court noted that the distinguishing obligation of a fiduciary is the obligation of loyalty and that a fiduciary is not subject to fiduciary obligations because he is a fiduciary; it is because he is subject to those duties that he is a fiduciary. 257.3. At [90] the Court added that "[t]he key principle is therefore that a fiduciary acts for and only for another. He owed a single-minded loyalty to his principal, meaning that he cannot exercise any power in relation to matters covered by his fiduciary duty so as to benefit himself. Accordingly, if a person is a fiduciary then he must not put himself in a position where his interest and that of the beneficiary might conflict (the no conflict rule), subject to the principal's informed consent. In addition, or perhaps in consequence, he must not receive a personal benefit from his fiduciary position (the no profit rule), subject again to the

principal's informed consent".

258. In my judgment, Syner and Effs (but not Wang Jinhong personally) were under fiduciary duties in relation to their operation of the invoice financing arrangement as I have found it. Syner was established as a device to reduce Wenda's financing costs, with Wenda's initial payment of US\$2.2m and with the benefit of an indemnity as to its costs and Wenda's guarantee of its debts to HIF. As I have found, Syner had no involvement in the agreement or performance of the financed sales. Syner was not intended to profit from the invoice financing arrangement (beyond being able to recover its proper costs and expenses), was not intended to trade independently and was not intended to have any commercial interest of its own in relation to those arrangements. Although the arrangements were essentially commercial, and I have found that Wang Jinhong was given a degree of flexibility and discretion in relation to the operation of the invoice financing arrangement, in my judgment Syner and Effs did owe a single-minded loyalty to Wenda and that the role which Syner and Effs undertook went well beyond "normal (self-interested) arm's length activity".
259. Accordingly, this is a case where Syner and Effs owed fiduciary duties to Wenda when performing its obligations under the invoice financing arrangement because, when viewed objectively, Syner and Effs had undertaken to act exclusively in Wenda's interests and in principle Syner and Effs are liable to account to Wenda as such.
260. It was a breach of fiduciary duty for Syner/Effs to operate the invoice financing arrangement in the way it did including: (i) undertaking the Syner independent trade without express authority from Wenda; (ii) utilising the HIF facility for that purpose; (iii) deriving a profit or arbitrage from the trade without express authority from Wenda; (iv) deducting expenses which were not proper expenses and (v) failing timeously to account to Wenda for the sums due to it.
261. I have set out by reference to the relevant authorities, and it is in any event common ground, the important consequence that when taking an account, the beneficiary (here Wenda) has the burden of proving the sums paid to Syner and Effs plus the fruits of the same, whereas Syner and Effs bear the burden of proving the discharge of those charges (by proving they have been paid to Wenda or for purposes authorised by Wenda). In relation to the taking of the account, the burden of documenting items falls on Syner and Effs as the accounting parties and presumptions may be made against them (aside from the type of adverse presumptions which I have already described may arise in relation to their disclosure obligations) if they have not kept proper records or have destroyed them. The US\$ 2.2m Initial Payment:
262. As I have already described, an issue arises as to the true nature of the US\$ 2.2m initial payment. Although the fact of the US\$2.2m initial payment is not in issue, there is a dispute as to its true status. In simple terms, Wenda's case is that this was a real cash investment which Xiong Wei understood was required to enable Syner to access the favourable interest rates in the UK and that it should be returned to Wenda. Mr Aslin's calculation is based on

this assumption. Wang Jinhong's position is that the US\$2.2m initial payment was not new investment from Wenda into Syner, but rather repayment by Wenda of a loan which had been raised by Synergitec (from its own lenders) and remitted to Wenda in late 2012/2013 prior to the move to England.

263. Wenda makes the general point that, on the face of it, the one person who ought to be in position to provide a simple, documented explanation of these events is Wang Jinhong. In 2012/2013 she was Synergitec's sole director, with access to its banking records and Wenda's CFO. It seems to me that there is force in that submission.
264. The relevant witness evidence on this is as follows. 264.1. Xiong Wei deals with this principally in his eighth witness statement at [92] and [99] and he was cross-examined towards the beginning of his evidence. 264.2. Mr Jones strongly challenged some of Xiong Wei's evidence on this issue. The explanation which Xiong Wei had given in cross-examination about this being a "dummy loan" which was backed by an equivalent deposit in BOC in Dalian had seemed contrived and convoluted. Xiong Wei firmly denied that there were other loans between Wenda and its subsidiaries. However, the documents shown to Xiong Wei in re-examination showed that his recollection that Wenda had had to deposit with BOC's Dalian branch an equivalent amount of the loan in France was right. 264.3. Liang Yanni deals with this in her first witness statement at [39] and her second witness statement at [5] to [9]. 264.4. 264.5. Mr Patron deals with this in his first witness statement at [42]. Wang Jinhong deals with this in her tenth witness statement at [94] to [96]. She says that in 2012-2013, she borrowed US\$1.89m and lent it to Wenda via Synergitec in three instalments: US\$600,000 on 30 November 2012; US\$500,000 on 28 December 2012 and US\$790,000 on 28 March 2013 and that when Synergitec ceased trading in 2013 Wenda opted to repay the loan via Synergitec. She then sets out at [98] how she says US\$1.89m of the loan was repaid together with a sum of US\$95,004 as interest repayment and US\$210,00 as an advance against Syner's expenses. 264.6. In her twenty-first witness statement at [6] Wang Jinhong explains that Synergitec in turn obtained the funds from borrowing from Arctic, MJB and Weiyi.
265. So far as the relevant documents I have seen are concerned: 265.1. According to one of its bank statements, a loan contract dated 30 November 2012, and the relevant emails Synergitec obtained a loan of US\$1.35m from the BOC Paris branch, which was guaranteed by and paid to Wenda. The Defendants' position is that this has nothing to do with the US\$2.2m initial payment and is a completely different loan. 265.2. The relevant bank statements and emails show that Wenda repaid this loan in February 2013. 265.3. Synergitec also received US\$2.3m from Cape Chile. Although he had initially been unable to recall these payments, Mr Patron had refreshed his memory by reference to the emails which had been sent between November 2011 and February
2012. This is consistent with Mr Patron's evidence that Cape Chile was the source of the payments made to Synergitec in 2012. 265.4. The Defendants submit that the three payments into Wenda relied on by Wang Jinhong on 30 November 2012, 28 December 2012 and US\$790,000

on 28 March 2013 can be seen from two of the relevant Synergitec bank statements and are consistent with the records in the relevant entries in the SAP ledgers exhibited by Liang Yanni for 4 December 2012, 4 January 2013 and 29 March 2013. 265.5. So far as the loans into Synergitec are concerned, the Defendants now say that the US\$600,000 on 30 November 2012; US\$500,000 on 28 December 2012 and US\$790,000 on 28 March 2013 are shown on two bank statements and a covering email from CIC Bank showing transfers in from Arctic Seafoods Co Ltd, Dalian Weiyi Wooden Co Ltd and MJB Wood Group respectively and that this is consistent with Wang Jinhong's evidence. 265.6. The Defendants also rely on Leapman Weiss's report dated 5 May 2021 on the transfer of shares to say that Wenda's equity in Syner was zero since the US\$2.2m was allocated as a debt repayment. 265.7. Although the Defence itself had not identified the relevant lender, as I have indicated, in her evidence Wang Jinhong initially said it was her. There was no documentary evidence to support that and her case in this regard has now changed. 265.8. When asked in the Chinese proceedings to produce the original documents for independent examination, I am told Wang Jinhong had failed to do so. Wang Jinhong accepted in cross-examination that she has known that this is an issue since 2020 and so had every reason to produce them in that litigation and to evidence her position in this case. 265.9. She also did not disclose the relevant email and bank statements in this case until 22 December 2025. When asked about this in cross-examination, Wang Jinhong said for the first time that she had lost the relevant email from Synergitec's CIC bank and found it only recently but there was no explanation of how or when these happened. This makes no sense given the importance of this issue. 265.10. Moreover, the new CIC bank statement and email relied on by Wang Jinhong evidence only US\$1,250,204.76 being received from Arctic Seafoods not the US\$1.89m which Wang Jinhong had referred to in her twentieth witness statement as being the relevant loan or the US\$1,903,463.12 from Arctic Seafoods which had been said to have been identified by the Defendants' expert Mr Majid in his second supplemental report. It was only in her twenty-first witness statement dated 19 January 2026, served shortly before the trial, that Wang Jinhong tried to bridge this gap by suggesting, for the first time, that the lenders were Arctic Seafoods and MJB and Weiyi. 265.11. As I have already indicated, the documents now disclosed do show credits from Arctic Seafoods, MJB and Weiyi but there is nothing to indicate that these were sums paid under loan agreements. It appears that Arctic and MJB were part of Syner's independent trade and at least some of the narrative associated with these payments on Synergetic's bank statements is consistent with that position. Wenda's detailed submissions on this are compelling.

266. So far as the experts are concerned, Mr Aslin deals with it in section 14 of his first report. He points out that Syner's financial statements for the year to 30 September 2012 reported shareholders' funds of US\$2.1m which included called up share capital of US\$1m and a share premium reserve balance of US\$1.2m totalling US\$2.2m, with the difference between that and the US\$2.1m reported for the shareholders' funds arising from the loss made that year. Mr Aslin says that if the US\$2.2m initial payment, or any proportion of it related to

funds due to Synergitec or any other entity, he would have expected it to have been recorded within creditors. However, Syner's creditors at 30 September 2013 totalled US\$152,900.

267. Mr Majid deals with the issue in section 7 of his first report.
268. In their Joint Statement the experts agree that Wenda has paid a total of US\$2.2m into the Syner US\$ Account and that this relates to the initial share capital of Syner. The payments were made between April and August 2013 and are consistent with the disclosure in the statutory accounts and Leapman Weiss's letter dated 5 May 2021 on the transfer of shares in Syner. The experts agree that the accounts should form the foundation for any financial assessment.
269. I am satisfied on the basis of all of the evidence I have seen and heard and the detailed submissions made to me that Syner's financial statements are correct on this point. The financial statements for Syner report a position which is consistent with Wenda's case and which is inconsistent with Wang Jinhong's evidence. In my judgment, the US\$ 2.2m initial payment represents Wenda's initial investment into Syner, which was required in order for Syner to access the favourable interest rates in the UK, and it was not used to repay any loan to Wenda from Synergitec. If I am right on this, Wenda is also right to say that the documents (namely Syner's bank statements for its US\$ Account for the period from 11 April 2013 to 29 November 2013) show that almost immediately Wenda's initial investment into Syner was made, Wang Jinhong caused it to be paid out to its unauthorised trading partners and Effs.
270. However, if Wenda succeeds in recovering the sum of US\$2,129,116 plus interest under the judgment in the Chinese proceedings, then it should give credit for that amount in these proceedings. : The Alleged Shortfall
271. The issue here is what were the sums (a) received via the Invoice Financing Arrangement by Syner and/or Effs; (b) properly payable by Syner and/or Effs to Wenda (having regard to what was permitted to be deducted as expenses/retention) and (c) paid by Syner and/or Effs to Wenda?
272. The Joint Statement of Experts reflected a significant degree of common ground between Mr Majid and Mr Aslin, and although some of the relevant values have since been adjusted in light of new evidence, I have been able to use it when making my findings in this case.
273. Thus: 273.1. The experts agreed on the general operation and mechanics of the HIF facility and that a total of US\$45,335,180 invoices were processed through the HIF facility. 273.2. The experts broadly agreed (with a margin of difference of 2%) that the total receipts from customers was \$42,083,284 (per Mr Aslin) or US\$42,936,884 (per Mr Majid). 273.3. The experts broadly agreed (with a margin of difference of less than 0.2%) that the total value of payments from the HIF facility to Syner was \$41,557,287 (per Mr Aslin) or US\$41,550,225 (per Mr Majid). 273.4. The experts agreed that the total value of credit notes and credit note refund or charge adjustments is US\$352,596. 273.5. The experts agreed that the total value of

the costs of the HIF facility was US\$520,545. 273.6. The experts agreed that Mr Aslin has prepared a schedule of invoices at Appendix 2 of TA1 relating to Syner and Effs referred to as the SIL. 273.7. The experts agreed that for the invoices scheduled in the SIL, the invoices themselves were available for 850 of the 994 invoices. The remaining 144, all of which relate to Wenda America, are not available. For the invoices where copies are available, 844 invoices are accompanied by packing lists and 838 are accompanied by bills of lading. For the 144 where no invoices are available, Mr Aslin had reviewed the banking information provided by Wenda America to Wenda. 273.8. The experts agreed that the 989 US\$ invoices on the SIL comprise a total amount of US\$48,545,006 consisting of 565 Syner invoices totalling US\$32,465,420 and 424 Effs invoices totalling US\$16,079,856. The remaining 5 Euro invoices are all Syner invoices addressed to a customer named JBS SA and totalling 126,000 Euros. 273.9. The experts agreed that the Syner US\$ Account is the main trading account of Syner. The first transaction shown on the bank statements is 18 April 2013 and the last transaction was on 11 August 2017. The opening and closing balances at those dates were nil. 273.10. For that account Mr Aslin has identified total payments of US\$64,463,526 and total receipts of US\$64,463,526 whereas Mr Majid has identified total payments of US\$63,116,313 and total receipts of US\$63,116,313 because Mr Majid has netted off certain payments and receipts. Netted off these comprise a difference between the experts of US\$1,347,213. 273.11. The experts agreed that receipts into the Syner USD Account include: (i) US\$41,556,673 from the HIF Facility; (ii) US\$4,691,458 from Wenda America; (iii) US\$2,658,272 from Cape Chile. As to receipts from Wenda customers, Mr Aslin has identified receipts of US\$5,274,338 from customers on the SIL whereas Mr Majid has identified total receipts of US\$4,537,604, a difference of US\$736,734. As to receipts from non-Wenda customers, Mr Aslin has identified receipts of US\$4,477,926 whereas Mr Majid has identified total receipts of US\$4,042,484, a difference of US\$435,442,75. 273.12. The experts agreed that Wang Jinhong has paid a total US\$2,250,000 into the Syner US\$ Account. 273.13. As I have set out, the experts agreed that Wenda has paid a total of US\$2,200,000 into the Syner US\$ Account and that this relates to the initial share capital of Syner. 273.14. The experts agreed on the following payments out of the Syner US\$ Account:

- (i) US\$35,558,020 is the total funds transferred to Effs; (ii) US\$18,432,914 is the total funds transferred to Wenda; (iii) US\$1,513,160 is the total funds transferred to a customer of Wenda known as Biochem); (iv) US\$1,240,955 is the total funds transferred to the HIF Facility; (v) US\$562,950 is the total funds transferred to a customer known as JBS SA; (vi) US\$100,440 is the total funds transferred to a customer known as Chengfu Food and (vii) US\$7,711 is the total funds transferred to Musina Aygul. 273.15. The experts agreed that the Effs bank statements which are available are only for the period 19 January 2017 to 7 August 2023 and so are of limited utility for their

analysis.

273.16. The experts noted that Wenda and the Defendants state that the accounting records held on SAP by Wenda are incomplete and unreliable. 273.17. The experts agreed that the business tables appear to have been prepared as a record of the transactions which took place involving Wenda and Syner/Effs but many of the entries are disputed by them. They also agree that the business tables contain inconsistencies including multiple versions of the business tables covering overlapping periods, and errors in the applied formulas. 273.18. The experts agreed that a deduction of US\$3.75m should be made from the amount owed to Wenda.

274. In his updated calculation in his third report, Mr Aslin calculated the amounts paid by customers (being the cash amount received from customers in respect of the 989 US\$ invoices on the SIL and for two of which no amounts were received) as follows: Syner Sales Effs Sales 32,802,969 16,068,638 Removal of double counted invoices (742,176) Net receipts from customers 48,129,431
275. These figures are derived from Mr Aslin's analysis of: (i) the sales invoices themselves for the 565 Syner invoices and the 429 Effs invoices which are available and which have been agreed to bills of lading and packing lists; (ii) the HIF Facility; (iii) the Syner US\$ Account; (iv) Cape Chile banking documents; (v) Wenda America banking documents and (vi) the Effs bank statements where available. The business tables and the SIL cover the same population of invoices. The missing 144 Wenda America invoices agree to the amounts on the business tables bar one item.
276. In his updated calculation, Mr Aslin then goes on to consider the amounts received by Wenda as follows: 276.1. Amounts received by Wenda from: 276.1.1. 276.1.2. 276.1.3. 276.1.4. Syner Effs (19,131,984) (19,829,666) Nov 2017 receipts from Effs 499,823 Wang Jinhong private account (148,283) (38,610,065) 276.1.5. Outstanding on Euro invoices 53,803
277. The net effect of the first two stages of analysis is that the maximum gross shortfall identified by Mr Aslin is: US\$11,773,169 if the US\$2.2m initial payment is treated as Wenda's equity injection and included and US\$9,573,169 if that is disregarded.
278. By way of summary, the US\$9,573,169 is calculated by taking (i) the total of customer receipts of US\$48,129,431 less (ii) the amounts received by Wenda from Syner, Effs and Wang Jinhong of US\$38,610,065 and (iii) the translated amount of the Euro invoices of US\$53,803.
279. I have already dealt with my conclusions on the US\$2.2m initial payment above. 280. So far as deductible expenses are concerned, this is the third stage in Mr Aslin's calculation of the sums possibly due to Wenda. Mr Aslin reviewed the expenses in the business tables and the bank statements which were available to him. Although the amounts attributed to them have since changed, in his first report Mr Aslin helpfully categorised these in the following ways (and which for the purposes of exposition it is helpful for me to set out): 280.1. "Agreed" means expenses which are agreed in principle by Wenda and/or where there is evidence that these amounts have been paid (Agreed Expenses); 280.2. "Indeterminate"

means expenses where there is some supporting documentation, but where the amounts of the expenses are unclear, or there is contradicting information from the parties (Indeterminate Expenses); 280.3. “Unsupported” means expenses included within the Business Tables for which there is no supporting documentation to evidence their payment, or where there is no evidence that they should be agreed (Unsupported Expenses); 280.4. “Included Elsewhere” means expenses which are already included within other parts of the calculations of the amounts alleged to be due to Wenda, and where no further adjustment is necessary (Included Elsewhere Expenses).

281. In Section 10 of TA3, Mr Aslin has set out an updated calculation of what he says may be owed by Syner and Effs to Wenda. Amongst other things, the late disclosure by the Defendants of the Yahoo emails has enabled Wenda to agree that a further US\$508,413 of expenses are legitimate and thus Mr Aslin has moved these from the “Unsupported” and “Included Elsewhere” columns in his calculation table to the “Agreed” column.
282. Of course, the Defendants say it is significant in itself that Wenda’s case on quantum (before interest) has gone from US\$4,187,160 (as per Section 16 of TA1) to US\$2,962,690 (as per Section 10 of TA3).
283. So far as the Agreed Expenses are concerned: (i) the revised total figure is US\$5,060,478; (ii) US\$2,872,723 comprises expenses on the business tables and includes the US\$508,413 adjustment following disclosure of the Yahoo emails. The other agreed expense items relate to: (i) interest and other amounts charged by HSBC on the HIF Facility; (ii) Wang Jinhong’s salary from Syner; (iii) bonus payments made from Effs; (iv) Syner’s trading expenses; (v) an amount paid by Syner to JBS under some form of buy-back arrangement and (vi) the remaining amount of agreed expenses following the disclosure of the Yahoo emails which do not feature on the business tables.
284. The outcome on Wenda’s case thus far is to say that the customer shortfall plus Wenda’s investment in Syner less agreed expenses is US\$6,712,690. It is common ground that the sum of US\$3.75m falls to be deducted resulting in a final net total of US\$2,962,690 which Wenda claims in respect of the alleged fraud in relation to the invoice financing arrangement.
285. I have already indicated that Mr Majid did not at any point challenge the forensic methodology adopted by Mr Aslin. Further, in cross-examination he broadly accepted that in his third report, he had not challenged the calculations in section 4, section 5, section 6 or section 7 of Mr Aslin’s third report, or the details and analysis in Mr Aslin’s Appendix 27 (which was an expanded version of the SIL with more invoice-by-invoice data and information). He also accepted that he had not challenged the analysis of Mr Aslin in Appendix 8 to his first report where he had undertaken the exercise of matching payments from customers under the HIF facility and matching them to the Syner bank account and then matching the Effs payment information to the Effs banking documentation and that which exists for Wenda America and Cape Chile other than to point out that he had

highlighted that 144 of the invoices were missing. Moreover, Mr Majid accepted that he had not challenged any specific invoice figure on the SIL as being wrong.

286. For the Defendants, Mr Jones submits, at a high level, that in the absence of all of Wenda's accounting records, especially the SAP ledgers and statements for all of the Wenda bank accounts, it is simply not safe to carry out the exercise of reconstructing thousands of payments from Syner and Effs to Wenda and to third parties, stretching back well over a decade ago.
287. Aside from the "missing" documents, he says the bank statements which have been disclosed by Wenda are themselves problematic because, for example, the relevant narrative and payee details on the Huaxia US\$ account statements is frequently blank. He was able to point to at least two examples where, by reference to other documents or witness testimony, the blank entries did relate to receipts from Effs. He also suggests that the recently disclosed remittances from the Effs/DBS US\$ Account may not be complete (because a payment of US\$700,000 on 14 June 2017 appears on the bank statement but there is no corresponding email). He points again to the partial disclosure of the Wenda America and Cape Chile bank accounts.
288. Mr Jones also submits that there is a fundamental issue here in that Xiong Wei has admitted to multiple deceptions, specifically in relation to the creation of fake Wenda invoices as part of what I refer in this judgment as the double discounting scheme and the inflated invoices scheme. Xiong Wei accepted in cross-examination that Syner branded invoices may also have values that have been inflated.
289. Mr Jones criticises Mr Aslin for his approach which he says was "overconfident, over-promising accuracy". Although he made some specific criticisms of Mr Aslin for not further interrogating the dataset he had been shown or following up a train of inquiry revealed by it, I think this was unfair because in general I am satisfied that Mr Aslin answered honestly and so made appropriate concessions.
290. However, Mr Jones is right to say that the cross-examination of Mr Aslin in relation to invoice with reference CA013, which had been relied on by Wenda's counsel as a representative sample to illustrate that there was a net invoice understatement (between the SIL and the business table) of US\$747,279 on 64 invoices as set out in Mr Aslin's Appendix 16 in his first report, was revealing. Mr Aslin was shown an email from Wang Jinhong to Wang Qingli dated 3 December 2013, in which she explained that "For CA013, only parts of it exists: the amount is 77,984, and the remaining 170,276 has gone into CAPE's secondary account". Far from being "hidden" the relevant entry was highlighted on the attached business table. Mr Jones also pointed to the fact that 170,276 is almost exactly 80% of the allegedly "missing" amount of US\$215,866.97 which as I have already explained, is typical of the proportion of the amount paid in advance on the invoice financing arrangement and that the apparent shortfall would be explained by Effs having paid the remainder of the factored proportion to Cape Chile rather than to Wenda. Mr Jones submitted that this is

what in fact happened because, although the Cape Chile bank statements have not been disclosed, the payment appears on the Cape Chile receivables ledger on Wenda's SAP system which had been annexed to Liang Yanni's second witness statement exhibit "LY2" for a different reason.

291. Ultimately however, there is simply no evidence that the secondary Cape Chile ledger was used in the way suggested by Mr Jones, no witness or expert evidence from the Defendants to show that Effs made this payment and nothing to support the suggested relationship between the relevant invoice and the factorised amount shown in the Business Table.
292. Thus, Mr Jones submits that there is a pretty obvious, innocent explanation for other of the invoices relied on Mr Aslin in his Appendix 16. Thus: 292.1. The Wenda invoice with reference CA036 dated 30 May 2014, which was due for payment 180 days after the bill of lading and so in the second half of 2014, postdates the agreement between Xiong Wei and Wang Jinhong that Effs should pay the salaries of Mr Patron and Mr Orloff. According to an invoice receipt provided by Mr Orloff to Effs, his monthly salary was US\$6,000 and so, Mr Jones submits, the apparent "shortfall" of US\$18,000 is consistent with Effs deducting three months of Mr Orloff's salary from the invoice; 292.2. The Wenda invoice with reference CC004 is consistent with the deduction by Effs of another three months of Mr Orloff's salary; 292.3. The Wenda invoice with reference WEN09111500114 is consistent with the deduction by Effs of two months of Mr Patron's salary which he confirmed by reference to a receipt he was shown was US\$4,000 per month; 292.4. A further six Wenda invoices are all consistent with the deductions by Effs of Mr Patron's monthly salary; 292.5. The total of these (including invoice CA013) amounts to over US\$250,000.
293. The difficulty for the Defendants is that, as a result of the overarching approach taken by Mr Majid, this type of forensic analysis was largely left to Mr Jones. Furthermore, for the reasons I have already set out, I am satisfied that adverse inferences are to be drawn against Syner/Effs in connection with the missing Effs' financial information and that Syner/Effs were accounting parties because of the fiduciary relationship with Wenda which I have found to exist.
294. I accept his submission that, based on the evidence I have seen and heard in this trial, the payments for Mr Orloff's and Mr Patron's salary should in principle be categorised as allowable expenses paid to third parties. In his eight witness statement at [163.2], Xiong Wei accepted that he had agreed in principle that Wang Jinhong and Li Jin could use offshore companies to pay overseas staff. Mr Aslin had only treated salary and commissions as being an agreed expense if the amount, date and identified payee of the expenses matches exactly those shown in the business tables. In light of the evidence I have heard, it seems to me that this was too restrictive an approach.
295. However, as Wenda made clear in its closing submissions, in light of the disclosure of the Ymails, it has already given credit for the payment by Effs of salary and commission to Mr Orloff and Mr Patron, including the US\$6,000 and US\$4,000 claimed by the Defendants to

have been paid, in a total sum of US\$246,000 which is in excess of the sum of US\$88,000 which the Defendants submitted should be given as a credit against Wenda's claim. There is in my judgment no basis for requiring any further credit to be given for the payments of salary and commission beyond that which has already been taken into account in Mr Aslin's calculation of the shortfall.

296. Mr Jones went further and submitted that, I should accept more generally Wang Jinhong's evidence in her tenth witness statement, and her confirmation in re-examination that the deduction on invoice CA013 was typical of the other reductions for payments to third parties (such as Wenda subsidiaries, employees and third parties), and which were dealt with by making adjustments to the invoice values on the business tables. Whilst I am almost certain that there may be other examples where the explanation for the deduction is capable of being justified, this simply goes too far. As I have already explained, the burden was and is on the Defendants to justify the relevant payments.
297. Overall, I am satisfied (especially given the scope of the matters on which the experts agreed and the absence of any real challenge to its core analysis and findings by Mr Majid) that Mr Aslin's approach is forensically robust and that Mr Aslin's amended calculation in section 10 of TA3 is justified. Where there are differences of substance between him and Mr Majid I prefer Mr Aslin's evidence for all the reasons I have identified.
298. Even if I am wrong about the strict burden of proof on this, it seems to me that Wenda has done sufficient to prove the figures in relation to the rest of its claim (aside from the salary and commission payments I have referred to and in respect of which I have indicated I accept Mr Jones' submissions).
299. In particular, I am satisfied that the profits made by Syner at Wenda's expense have been channelled through Effs in the manner alleged by Wenda including the proceeds of Syner's unauthorised independent trade.
300. There is a specific factual issue as to whether three payments made by Effs to Wenda in 2017: a payment of US\$700,00 on 14 June 2017, a payment of US\$249,865 on 15 November 2017 and a payment of US\$249,958 on 29 November 2017 should be treated as payments in relation to the invoice financing arrangement.
301. Although Mr Aslin originally thought that all three should be included in Wenda's claim, his position by the time of the trial was that the US\$700,00,00 should be excluded. Mr Aslin's principal reasons for excluding the US\$700,000 are that (i) it did not appear on the business tables and fell outside the date range in them; (ii) it could not have been included by Wang Jinhong when she sent her email dated 27 April 2017 confirming the final amount due from Syner to Wenda and (iii) he had seen nothing to indicate that the payment related to invoices on the SIL. In closing Wenda submits that the US\$700,000 was a separate loan advance which was subsequently repaid which had not been part of these proceedings. Wang Jinhong ultimately accepted this in cross-examination.

302. Mr Majid's position, adopted on behalf of the Defendants by Mr Jones, was that the payments should be treated consistently.
303. So far as the payments of US\$249,865 and US\$249,958 are concerned, Wenda refers to the relevant bank statements from Wenda's account at AgBank and Effs. These show that on 10 and 23 November 2017 Wenda paid two sums of US\$250,000 to Pensare Positivo; two payments from Pensare Positivo of US\$250,000 and US\$255,000 to Effs on 13 and 27 November 2017 and payments from Effs to Wenda of US\$249,000 on 14 November 2017 and US\$250,000 on 28 November 2017. Liang Yanni's unchallenged evidence was that these are examples of Wang Jinhong recycling monies into Wenda at the time of the capital increase in April 2017 and that Wang Jinhong had instructed her to record them in such a way as to reduce the debt due to Wenda on the C2 ledger. In cross-examination Wang Jinhong did not challenge the trail showing the movement of funds but denied that these were examples of recycled funds and that she had instructed Liang Yanni in that way.
304. I have already indicated that in broad terms, unless contradicted by the documents, I accept Liang Yanni's evidence. Here it seems to me that it is supported by Wenda's analysis of the relevant bank statements.
305. In my judgment, Wenda is right, for the reasons submitted by it, that the US\$700,000 was not part of the invoice discounting arrangement and that the two payments of US\$249,865 and US\$249,958 should not be taken into account in reducing the debt to Wenda.
306. In his second supplemental report at Sections 3.4 and 10.3, Mr Aslin had identified five transfers from Wenda to Syner between 16 April 2018 to 25 July 2018, and so also outside the dates of the transactions relating to invoices on the SIL and Business Tables. His position had been that if the payments to Wenda of US\$700,000, US\$249,865 and US\$249,958 were to be deducted from the amount said to be due to Wenda, then in order to be consistent, the payments by Wenda of US\$2,297,522 should be added to the amount due to Wenda. The net effect is to increase the amount said to be due to Wenda by US\$1,097,699.34. However, Mr Milnes KC did not address me on these later payments by Wenda and, so far as I can see, it has not been relied on by Wenda as part of its final calculation. In view of my finding on the status of the three later payments to Wenda, I make no further findings on the later payments made by Wenda.
307. A specific factual issue arises as to a payment of \$122,148 which was received into a Syner bank account from Lightsweet but the invoice is dated after the period included in the business tables and no shipping or other supporting documents is available for it. I heard very little about this payment but it seems to me more likely than not that this does fall within the invoice discounting arrangement. Wenda's claims for breach of fiduciary duty/dishonest assistance/knowing receipt against Wang Jinhong:

308. Wenda brings a separate claim that Wang Jinhong owed fiduciary duties to Wenda on the basis that they say she was the directing mind and will, and had actual control over, Syner and Effs and/or on the basis that she dishonestly assisted in the breaches of fiduciary duty on the part of Syner and Effs.
309. It is not in issue that Wang Jinhong was the directing mind and had actual control over Syer and Effs. Insofar as it is necessary for me to deal with it, I am satisfied that Wang Jinhong was acting as director of Syner and Effs in relation to the invoice discounting arrangement and not personally. I have already indicated that I am not satisfied that Wang Jinhong personally assumed fiduciary duties to Wenda. It seems to me that, in a practical sense, this allegation adds little to the allegation that Wang Jinhong dishonestly assisted the relevant breaches of duty by Syner/Effs.
310. So far as that claim is concerned, I have set out the relevant legal requirements earlier in my judgment. So far as concerns its application to this case: 310.1. I have found that there is a fiduciary relationship between Syner/Effs and Wenda which is, in principle, capable of giving rise to this type of accessory liability. 310.2. I have also found that there have been breaches of duty by Syner/Effs in relation to the operation of the invoice discounting arrangement. 310.3. I have set out that the relevant test for dishonesty is the Ivey test which is an objective standard which implies a more serious degree of fault than ordinary negligence 310.4. Accordingly, the remaining questions are whether Wang Jinhong has assisted in the breach of fiduciary duty by Syner/Effs and whether that assistance has been given dishonestly, applying that test.
311. Wenda relies on a number of factors to say that Wang Jinhong assisted in the primary breach of fiduciary duty by Syner/Effs and did so dishonestly in paragraphs [108] and [109] of its Skeleton Argument as supplemented and amplified by its written closing.
312. In my judgment, if not already clear from my earlier findings, Wang Jinhong: 312.1. 312.2. Procured and used the fake HIF invoices knowing them to be false; Procured and used the fake rental invoices in relation to 37 Lewes Road knowing them to be false; 312.3. Carried out the Syner independent trade using the HIF facility knowing it to be unauthorised; 312.4. Caused Syner/Effs to withhold profits from the receipts of the invoice discounting arrangement knowing them to be unauthorised; 312.5. Caused Syner/Effs to withhold payments to Wenda and instead to pay substantial sums to Effs which were properly due to Wenda; 312.6. 312.7. Caused Syner/Effs to make excuses for the non-payment which were not true; Caused the principal accounting records of the dealings between Syner/Effs and Wenda in the form of the business tables and the SAP ledger to be manipulated knowing that they gave a false picture; 312.8. Culpably failed to give proper disclosure on behalf of the Defendants in breach of the Court's orders; 312.9. Misled the court as to the true ownership of her assets knowing those statements to be false or misleading; 312.10. Has been untruthful to the court when making witness statements and/or in giving her oral evidence in the ways I have identified in this judgment.

313. Having established the state of Wang Jinhong's knowledge and belief as to the relevant facts, I am in no doubt that, objectively viewed, this conduct was dishonest by reference to the standards of ordinary decent people.
314. Although Wenda also invited the Court to find that Wang Jinhong had embarked on a course of conduct to damage Wenda for her own gain (for example, her attempt to take over control over Wenda) was also dishonest, it is not necessary for me to decide on these points. Whilst I accept they provide important context for some of the other events, they have already been the subject of prior litigation in China. In the particular context of the toxic relationship between Wang Jinhong and Xiong Wei, I simply cannot be satisfied as to who is telling the complete truth about these events.
315. Wenda also alleges that Effs and/or Wang Jinhong are liable in knowing receipt. The relevant elements of a claim for knowing receipt are (i) a transfer of assets/rights in breach of trust or breach of fiduciary duty; (ii) beneficial receipt, retention of and/or dealing by the defendant of such assets or rights or their traceable substitutes over which the claimant has a subsisting equitable proprietary interest and (iii) knowledge on the part of the defendant which renders the receipt or retention of or dealing with the assets/rights unconscionable.
316. I am satisfied based on my earlier analysis that Effs has been the recipient of monies which were transferred to it in breach of Syner's breach of fiduciary duty to Wenda and that Wang Jinhong, as its controlling mind, had the necessary knowledge of the circumstances in which it was received to render its retention unconscionable.
317. Based on the evidence already set out by me in relation to Wang Jinhong's acquisition of an extensive property portfolio, which is not explained by her by reference to any other source of monies, I am also satisfied that Wang Jinhong is liable in knowing receipt. The Accommodation Claim:
318. Although this was pleaded as a discrete claim, the parties spent very little time on it. The principal witness evidence is contained in: 318.1. 318.2. Wang Jinhong's Tenth witness statement at [105] to [116]. Xiong Wei's Eight witness statement at [96] and [238].
319. When asked in cross-examination whether he was happy for the costs of Wang Jinhong's accommodation to be paid, Xiong Wei's agreed but qualified it by saying that he agreed that her rent was to be paid.
320. Doing my best in relation to an oral agreement that was reached 14 years ago, I think it is more likely than not that, when discussing this back in 2012, Xiong Wei and Wang Jinhong would not have distinguished between "rental" payments and "other" accommodation expenses provided that, overall, they were reasonable in amount. However, I have already indicated that I reject Wang Jinhong's suggestion that Xiong Wei (or anyone else in Wenda) knew about the fake rental invoices. In my judgment, just as Wang Jinhong was responsible for procuring the fake HIF invoices the overwhelming likelihood is that she did the same in relation to the Fake Rental Invoices. Xiong Wei was involved in the creation of the false

invoices in connection with the Inflated Invoice scheme and the Double Financing scheme, because he had a clear motivation to maximise cashflow for Wenda. The same cannot be said for the creation of the fake rental invoices which in reality could only benefit Wang Jinhong.

321. The experts agreed that although there are amounts relating to rent within the business tables, totalling US\$131,714 there is no factual evidence to suggest that these have been paid from Syner or Effs.
322. There is also no evidence before me to show that Wenda paid these rental invoices separately as opposed to them being deducted as part of the approval of Syner/Effs expenses.
323. I am not satisfied that Wenda has proved this part of its claim. The US\$3.75m:
324. Was the US\$3.75m advanced by Effs to Wenda on 18 to 19 April 2017 the proceeds of Wang Jinhong's wrongful conduct and so to be treated as monies to which Wenda was always entitled (Wenda's case) or does it properly represent payment by Wang Jinhong for 37.5% of the shares in Wenda (the Defendants' case)?
325. It is not in dispute that these sums were paid or that they should be deducted from Wenda's claim in these proceedings. However, Wenda asks the Court to make a declaration that the US\$3.75m paid to Wenda was the proceeds of Wang Jinhong's unlawful conduct and represented monies to which Wenda had already been entitled. It points to the fact that between 15 December 2016 (when as I have indicated in the factual narrative, Syner stopped paying Wenda) and 18 April 2017 (shortly prior to these funds being paid by Effs to Wenda) Syner had transferred a total of US\$3,931,829.62 to Effs. Wenda submits that that figure is strikingly similar to the US\$4m which Wang Jinhong initially suggested was available to invest in Wenda in April 2017 through her friends. Wenda submits that at that time, according to Mr Aslin's analysis in his Appendix 25, with which Mr Majid agreed, the relevant shortfall was US\$8,484,729.
326. It seems to me that this evidence points clearly to the fact that the US\$3.75m payment was indeed money to which Wenda was already entitled. I am asked to make a declaration, in order to close down potential re-litigation of this issue by Effs in proceedings in the United States. I have heard very little about those other proceedings and so am reluctant to make a declaration without fully understanding its likely impact and the necessity for it beyond my clear findings in this judgment. I will hear the parties further on this when dealing with matters consequential on my judgment. Wenda's claims against Mr Petit:
327. Did Mr Petit dishonestly assist Syner's and Effs' breaches of trust and breaches of fiduciary duty and constructive trust by helping to insulate Effs from Wenda's claims and/or did he dishonestly and knowingly receive the proceeds of Effs' fraud against Wenda?

328. Wenda's case is that it is reasonable to infer that, by August 2018, when he received the shares in Effs from Wang Jinhong, Mr Petit knew or turned a blind eye to the fact that Wang Jinhong had committed a fraud against Wenda and that his dishonesty can be inferred from the following specific facts and circumstances: 328.1. The only real reason for the transfer of shares to him was to insulate Effs from Wenda's claims and Mr Petit's attempt in cross-examination to say why should be rejected as being untrue. 328.2. Mr Petit signed letters on behalf of Effs purporting to consent to the disclosure of the Effs/DBS bank statements to Wenda when only Wang Jinhong was authorised to do so and, in particular, that this was never explained to Wenda at the time of the attempt to obtain the bank statements from DBS Hong Kong. 328.3. Mr Petit must have known that Wang Jinhong purchased valuable properties (including 37 Lewes Road, 6 Jesmond Road, Huntingball Lodge and 118 Gilson Place) without mortgage finance such that Mr Petit must have known or been suspicious as to how she financed them. 328.4. Mr Petit has been rewarded for his assistance either directly (because he admitted having been paid an unspecified amount from her) or indirectly (for example by Wang Jinhong allowing his daughter to run her business at Huntingball Lodge on generous terms). 328.5. Wang Jinhong trusted Mr Petit (more than anyone else on his case) and so it is inherently probable that she would have confided in him about her fraud on Wenda. 328.6. Mr Petit has refused to give disclosure in these proceedings despite having been ordered to do so and so it should be inferred that he knew that if he did it would incriminate Wang Jinhong and himself.
329. I have already indicated that Mr Petit was a very unsatisfactory and difficult witness. However, beyond these matters of inference, Wenda has not identified any specific ways in which Mr Petit lent his assistance to the breaches of fiduciary duty which I have found to exist. The most egregious matter concerns the failure to give disclosure on behalf of Effs including the fact that Mr Petit withheld the true identity of Richard Xavier in the way I have described.
330. The truth, as Mr Petit came close to accepting, is that Wang Jinhong continued to manage Effs after he became its director and shareholder, not just its banking relationships. He allowed himself to be led by her as to the proper approach to disclosure based on some overwhelming sense that she was being victimised.
331. However, this in my judgment falls short of establishing that what he did was dishonest applying the objective standards of ordinary, decent people.
332. I am also not satisfied on the evidence that Mr Petit has actually received any of the relevant proceeds of the fraud that Syner and/or Effs has committed against Wenda.
333. Accordingly, I dismiss Wenda's claims against Mr Petit. : Consequential orders

334. The parties are invited to agree the terms of the appropriate order to give effect to this judgment including as to consequential matters such as costs. If they are unable to do so, I will deal with matters in accordance with directions to be given by me following me formally handing down judgment.

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