

# TARGET

## Intelligence Report

VOLUME XXIII No. 97

THURSDAY

May 6, 2021

### **STEERING HOLDINGS LTD: THE FORMER CHAIRMAN HAS BEEN KICKED OUT**

All hell appears to have broken loose at the headquarters of Steering Holdings Ltd (旭通控股有限公司) (Code: 1826, Main Board, The Stock Exchange of Hongkong Ltd) with the removal of Mr Ng Kin Siu (吳建韶) as an Executive Director – he was, until January 2018, the Chairman of the Company – along with three Independent Non-Executive Directors of the Company.

That aforementioned incident took place on or about Monday, May 3, 2021, but three days earlier, on Friday, April 30, 2021, Mr Ng Kin Siu was named as the Third Defendant in Action Number 678 of 2021, an Action, lodged in the High Court of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

Action Number 678 of 2021 is between Gentle Soar Ltd, a company, domiciled in the **British Virgin Islands (BVI)** – the Plaintiff – and the following three Defendants:

CMBC Capital Finance Ltd (民銀資本財務有限公司)	First Defendant
Masterveyor Holdings Ltd	Second Defendant
(Mr) Ng Kin Siu	Third Defendant

According to the database of **TOLFIN (泰達資訊)**, the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, the Second Defendant is wholly owned by the Third Defendant.

The First Defendant is a wholly owned subsidiary of CMBC Capital Holdings Ltd (民銀資本控股有限公司) (Code: 1141, Main Board, The Stock Exchange of Hongkong Ltd).

Gentle Soar Ltd is claiming from the three Defendants:

*'(1) A declaration that the 1<sup>st</sup> Defendant was not entitled to enforce any security interest pursuant to the Facility Agreement (and any related financial documents), including the charge over the Subject Shares pursuant to the Share Charge;*

- '(2) A declaration that the 1<sup>st</sup> Defendant has breached its duties to the Plaintiff;*
- '(3) The Disposal be set aside;*
- '(4) Damages against the Defendants to be assessed;*
- '(5) Interest (including compound interest);*
- '(6) Costs; and*
- '(7) Further and/or any other relief.'*

The Indorsement of Claim, attached to HKSAR High Court Action, Number 678 of 2021, makes the following claims:

- 1. By a facility agreement dated 30 May 2018 (which was subsequently amended by a supplemental deed dated 12 June 2019 and a second supplemental deed dated 24 June 2020), the 1<sup>st</sup> Defendant agreed to make available to the Plaintiff a term loan facility in the sum of HK\$200,000,000 (the "**Facility Agreement**").*
- 2. The loan advanced under the Facility Agreement was secured by inter alia a share charge dated 30 May 2018 (which was subsequently amended by a deed of partial release dated 2 May 2019 and a confirmation deed dated 24 June 2020) under which the Plaintiff has charged its shares in Steering Holdings Limited (Stock Code 1826) equivalent to 49% shareholding thereof in favour of the 1<sup>st</sup> Defendant (the "**Share Charge**").*
- 3. On or around 31 March 2021, the 1<sup>st</sup> Defendant alleged that event(s) of default under the Facility Agreement had occurred and declared that all outstanding loans and accrued interest became immediately due and payable. The Plaintiff denies this (alternatively the 1<sup>st</sup> Defendant has acquiesced to and/or is estopped from relying on such alleged event(s) of default, and/or there was unilateral mistake on the part of the parties) and contends that the 1<sup>st</sup> Defendant was not entitled to accelerate the repayment of the loan under the Facility Agreement.*
- 4. On or around 26 April 2021, the 1<sup>st</sup> Defendant proceeded to dispose of the Subject Shares to the 2<sup>nd</sup> Defendant at the purported consideration of HK\$103,000,000 (the "**Disposal**"). In doing so, the 1<sup>st</sup> Defendant breached its duties to the Plaintiff by failing to exercise its power of sale in good faith and/or by failing to obtain at the best price reasonably obtainable or a proper price for the Subject Shares.*
- 5. The Plaintiff further contends that the 2<sup>nd</sup> Defendant was acting in bad faith in purchasing the Subject Shares and/or that the 2<sup>nd</sup> Defendant and the 3<sup>rd</sup> Defendant (i.e. the sole director and*

*shareholder of the 2<sup>nd</sup> Defendant) knew or should have known that the price at which it was purchasing the shares was at an undervalue.*

- '6. Further and/or alternatively, the Defendants (or any two or more of them) acted in concert and/or conspired together to injure the interests of the Plaintiff by unlawful and/or lawful means conspiracy.'*

### **The May 3, 2021 Announcement**

Reverting ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*