## QUALITY HEALTHCARE ASIA LTD: WHO DIDDLED WHOM ? OR, WAS IT A CASE OF DIDDLYSQUAT ?

A fight has broken out between publicly listed <u>Quality HealthCare Asia Ltd</u> (Code: 593, Main Board, The Stock Exchange of Hongkong Ltd) and Asia Pacific Lasik Centre Ltd.

This fight could have far-reaching implications, considering the allegations that have been made in District Court Action Number 4140, assuming, of course, that there is substance to them.

Quality HealthCare Medical Services Ltd has been named as the First Defendant in this Action, with Quality HealthCare Medical Centre Ltd, being named as the Second Defendant.

Both Defendants are wholly owned subsidiaries of Quality HealthCare Asia Ltd.

The Statement of Claim, attached to the Writ of Summons, alleges that the Plaintiff (Asia Pacific Lasik Centre Ltd) carries on business as a LASIK centre *'in the name of Mongkok LASIK Centre at Room 1406, Argyle Centre, Phase 1, 688 Nathan Road, Kowloon, Hong Kong to provide in particular LASIK surgery services.'* (Paragraph One)

(LASIK surgery is an operation, performed on a person's eye(s), in order to correct certain eye deficiencies)

Quality HealthCare Medical Centre Ltd is a medical centre, providing, inter alia, 'LASIK business in the name of "Quality Healthcare LASIK Centre" at Shop G7B(1), Ground Floor, Bank of America Tower, 12 Harbour Road, Central, Hongkong from 16<sup>th</sup> September 2002. '(Paragraph 3)

It is alleged at Paragraph 5 of the Statement of Claim that the Plaintiff and the First Defendant (Quality HealthCare Medical Services Ltd) 'duly signed a document under the heading of "Term Sheet" ("the Contract")

incorporating all the terms and conditions of the agreement between the Plaintiff and the 1<sup>st</sup> Defendant on the cooperation of running LASIK business through Mongkok LASIK Centre referred to as "the Mong Kok Practice" and Quality Healthcare LASIK Centre referred to as "the Hong Kong Practice" in the Contract.

It is alleged that some of the terms and conditions of this Contract included:

- 1. The Plaintiff would be entitled to 10 percent of the Gross Income of those LASIK operations, performed by doctors at the Quality HealthCare LASIK Centre and at the Mongkok LASIK Centre;
- 2. The Plaintiff's doctors would be entitled to be remunerated with a bonus payment equivalent to 40 percent of the Gross Income, collected from *'clients'* who underwent LASIK operations, performed by doctors at the Quality HealthCare LASIK Centre;
- 3. The term of the Contact was fixed for a period of 5 years, but the Plaintiff had the right to terminate the Contract by giving 4 months' notice in advance to Quality HealthCare Medical Services Ltd of its intention. If Quality HealthCare Medical Services Ltd, on the other hand, wanted to terminate the contract with the Plaintiff, it could do so by giving one month's advance notice and pay the sum of \$HK900,000 to the Plaintiff; and,

4. If the LASIK business of Quality HealthCare Medical Services Ltd should prove to be unprofitable and there is a determination by Quality HealthCare Medical Services Ltd to withdraw from the contract with the Plaintiff, then the Plaintiff 'agrees to waive any claim for compensation including the HK\$900,000 stated above provided that the Principal (Quality HealthCare Medical Services Ltd) shall not commit or participate in the LASIK business within the subsequent one year.'

Between December 2002 and September 2003, Quality HealthCare Medical Services Ltd tried, unsuccessfully, to ... CLICK TO ORDER FULL ARTICLE

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