

**DICKSON GROUP HOLDINGS LTD:
GHOSTS OF THE PAST ARE RESURRECTED**

A former Director of publicly listed [Dickson Group Holdings Ltd \(\)](#) (Code: 313, Main Board, The Stock Exchange of Hongkong Ltd) has just been sued for \$HK52 million.

Mr Geordie Chin Wai Kay () is the Defendant in Action Number 540, filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Plaintiff, being Mr Mok Yu Hon ().

The Statement of Claim, attached to Action Number 540, is signed by Mr Mok Yu Hon, suggesting that it was he who drafted it, but the legalese suggests otherwise.

The claim is, simply put, that Mr Geordie Chin Wai Kay indemnified the Plaintiff in respect of the acquisition of Joint Wealthy Holdings Ltd () by Dickson Construction (Maintenance) Ltd (()), going back to October 2003.

Dickson Construction (Maintenance) Ltd was a wholly owned subsidiary of Dickson Group Holdings Ltd, but it was wound up.

As for Joint Wealthy Holdings Ltd, it was a wholly owned subsidiary of Dickson Group Holdings Ltd, too, but it, too, has been wound up.

Mr Mok Yu Hon was a Substantial Shareholder of Dickson Group Holdings Ltd, owning, legally, 14.25 percent of the Issued and Fully Paid-Up Share Capital of the company, back in March of 2004.

But, after the 2004 Financial Year ended, nothing else has been mentioned about this gentleman, insofar as his shareholdings in the company are concerned, according to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

The Statement of Claim in respect of Action Number 540 is hereby reproduced, verbatim:

- '1. At the request of the Defendant, the Plaintiff gave the following warranties and guarantees to Dickson Construction (Maintenance) Limited ('Dickson') in relation to the acquisition by Dickson of the shareholdings in Joint Wealthy Holdings Limited:*
 - (a) the consolidated net profit after tax of Joint Wealthy Holdings Limited for the financial year ending 31 March 2004 shall not be less than HK\$12,000,000; and the Plaintiff undertook to pay Dickson an amount equal to the shortfall thereof*
 - (b) the aggregated consolidated net profit after tax of Joint wealthy Holdings Limited for the two financial years ending 31 March 2005 shall not be less than HK\$40,000,000; and the plaintiff undertook to pay Dickson an amount equal to the shortfall thereof*
- '2. In consideration of the Plaintiff giving the said warranties and guarantees to Dickson, the Defendant has entered into a deed of indemnity dated 31 October 2003 in favour of the*

Plaintiff.

- '3. By the said deed of indemnity, the Defendant covenanted and undertook to indemnify the Plaintiff and his personal representatives against all actions proceedings liabilities claims demands costs and expenses bought by Dickson arising out of the agreement under which the Plaintiff gave the warranties and guarantees to Dickson.*
- '4. Dickson is now in liquidation. The liquidators of Dickson have made a claim against the Plaintiff under the warranties and guarantees because Joint Wealthy Holdings Limited has reported a consolidated net loss both in 2003/04 and 2004/05. The liquidators of Dickson have made a claim against the Plaintiff and demanded the Plaintiff's payment of HK\$52,000,000 under the warranties and guarantees.*
- '5. Pursuant to the deed of indemnity, the Defendant is liable to indemnify the Plaintiff against the claim lodged by the liquidators of Dickson.*

And the Plaintiff claims against the Defendant for:

- 1. an indemnity against the claims made by the liquidators of Dickson*
- 2. alternatively, a sum of HK\$52,000,000*
- 3. alternatively, damages*
- 4. interest under section 48 and 49 of High Court Ordinance*
- 5. costs*
- 6. further and/or other relief.'*

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