

**CHING HING (HOLDINGS) LTD:
THE GIST OF THIS WRIT IS:
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A fight has broken out between a wholly owned subsidiary of Ching Hing (Holdings) Ltd ([I]) (Code: 692, Main Board, The Stock Exchange of Hongkong Ltd) and the 30-percent, minority shareholder of a 70-percent-owned subsidiary of Ching Hing (Holdings) Ltd.

In the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Action Number 1136 has just been launched, the protagonists, being:

Ching Hing (BVI) Ltd	Plaintiff
and	
Poweraccel Group Ltd	
(domiciled in the British Virgin Islands)	First Defendant
Mr Andy Yim Kin Man ()	Second Defendant

The Plaintiff is a wholly owned subsidiary of publicly listed Ching Hing (Holdings) Ltd.

It is alleged in the Statement of Claim, attached to Writ of Summons, Number 1136, that, on April 13, 2007, Onlink Textiles Ltd () was incorporated in the HKSAR.

Mr Andy Yim Kin Man is alleged to have been a Director of Onlink Textiles Ltd.

The Plaintiff, at all material times, owned and continues to own 70 percent of the shares of Onlink Textiles Ltd.

On June 1, 2007, it is alleged that a Shareholders' Agreement was drafted '*for the purpose of regulating, inter alia, the operation and management of the Company (Onlink Textiles Ltd) and their respective duties to each other.*'

According to Clause 7.1 of this Shareholders' Agreement, it was allegedly stipulated that '*In the event that the Company suffers a loss before taxation in any financial year ... Poweraccel (the 1st Defendant) shall do the following forthwith upon demand of Ching Hing (the Plaintiff):*

- (a) pay 30% of the amount of such loss in cash to the Company as shareholders' loan; and*
- (b) simultaneously executive a waiver in favour of the Company to irrevocably waive and release absolutely its right to the repayment of such shareholders' loan by the Company.'*

Clause 12.1 of the Shareholders' Agreement, it is alleged, provides that the First Defendant (Poweraccel Group Ltd) shall procure Mr Andy Yim Kin Man of Saikung, the New Territories, to engross a Deed of Indemnity in favour of Onlink Textiles Ltd.

It is alleged at Paragraph 12 of the Statement of Claim that the Deed of Indemnity provided, inter alia, that

the Plaintiff (Ching Hing [BVI] Ltd), Onlink Textiles Ltd and/or any affiliates of the Plaintiff will be held harmless against any loss or liability, suffered by the ... [CLICK TO ORDER FULL ARTICLE](#)

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