

THE FORMER DEPUTY CHAIRMAN OF CIL HOLDING LTD HAS ANOTHER CROSS TO BEAR

A fight has broken out between the Chairman of Luxey International (Holdings) Ltd ([]) (Code: 8041, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd) and the former Deputy Chairman of CIL Holdings Ltd () (Code: 479, Main Board, The Stock Exchange of Hongkong Ltd).

At stake is at least \$HK11.90 million, but that figure could rise, materially, depending on a number of factors.

Action Number 571, lodged recently in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is between:

Mr Joseph Lau Chi Yuen () Plaintiff
and
Mr Peter Ho Pui Tsun () Defendant

The Plaintiff is the Chairman of Luxey International and the Defendant is the former Deputy Chairman and Deputy Managing Director of CIL Holdings, who resigned on October 14, 2010.

The Writ of Summons

The Statement of Claim, attached to Writ of Summons, Number 571 of 2013, alleges that the Plaintiff came into an agreement with the Defendant, dated January 19, 2012, (the ‘**Option Agreement**’) in accordance with which ‘*the Defendant granted a put option (“**Put Option**”) to the Plaintiff whereby the Plaintiff has the right to sell 50 million shares in CIL Holdings Limited to the Defendant at the price of HK\$0.35 per share within one (1) year from the date of the Option Agreement.*’

At Paragraph 3 of the Statement of Claim, it is alleged that the Plaintiff was desirous of selling 34 million CIL shares and, in that resolve, he attempted to contact the Defendant ‘*on various dates since 11 December 2012*’, but to no avail.

On or about January 3, 2013, it is alleged that the Plaintiff did, in fact, have a meeting with the Defendant and, at that meeting, ‘*formal notice*’ was given to the Defendant ‘*to exercise the Put Option in respect of 34 million CIL shares and requested the Defendant to complete the purchase within 3 days and to pay the Plaintiff the total purchase price of HK\$11.9 million.*’

It is alleged at Paragraph 5 that the Defendant ‘*failed to pay any purchase price for the 34 million CIL shares ...*’.

A solicitor's letter was, on January 14, 2013, sent to the Defendant on behalf of the Plaintiff, demanding the sum of \$HK11.90 million within seven days *'failing which the Plaintiff shall commence legal proceedings against the Defendant.'*

Paragraph 7 alleges that the Defendant ‘*admitted his liability*’ in respect of his financial commitment to the

Plaintiff *'and requested the Plaintiff to refrain from taking legal action against the Defendant.'*

After some negotiations and in consideration of the Plaintiff, agreeing to refrain from commencing legal proceedings against the Defendant for Breach of the Option Agreement, on January 29, 2013, the Plaintiff and the Defendant agreed to enter into a Supplemental Agreement.

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