

**TAI SHING INTERNATIONAL (HOLDINGS) LTD:
WILL THIS COMPANY SINK BELOW ITS DEBT MOUNTAIN ?**

Very little has been reported in respect of the financial situation at publicly listed Tai Shing International (Holdings) Ltd ([]) (Code: 8103, The **G**rowth **E**nterprise **M**arket [The **GEM**] of The Stock Exchange of Hongkong Ltd), but it would appear to this medium that this Company is on very shaky financial ground.

However, the Company has been languishing on very shaky ground for some years, now, has it not?

The latest information about this Company was the filing in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) of Action Number 409 of 2016.

This is an Action, taken out by Copper City Ltd (the Plaintiff), a company, domiciled in the **British Virgin Islands (BVI)**.

In the Statement of Claim, attached to the Writ of Summons, the Plaintiff is seeking the sum of \$HK16.60 million, plus interest and costs.

Copper City Ltd states that it is making the claim on the Defendant (Tai Shing International) '*being the amount due and payable under three dishonoured cheques pursuant to a Supplemental Agreement dated 21 December 2012 for loan extension between the Plaintiff as the creditor and the Defendant as the debtor.*'

At Paragraph Seven of the Statement of Claim, it is alleged that '*Despite repeated requests and demands made by the Plaintiff for payment of the said sum of HK\$16,600,000.00, the Defendant has failed and/or refused to pay the same or any part thereof to the Plaintiff.*'

For its part, Tai Shing International has informed its shareholders of this latest HKSAR High Court Action, lodged against the Company, but it has wedged the information in between four paragraphs of an announcement.

This paragraph states:

'The Company has been served with a sealed copy of the Writ of Summons (the "Writ") issued by one of the two parties sued in the Injunction Proceedings (the "Plaintiff"). Under the statement of claim endorsed on the Writ, the Plaintiff claims against the Company for a total sum of HK\$16,600,000 allegedly due on the dishonoured cheques issued by the Company and interest thereon.'

The matter referred to as '*Injunction (Injunctive?) Proceedings*' is outlined in the 2015 Annual Report at Page 29 as follows:

*'On 4 April 2014, the Company was served with a sealed copy of a petition (the "**P**etition") issued by Metal Winner Limited ("**MWL**") in Companies (Winding-up) Proceedings No. 83 of 2014 in the High Court of Hong Kong (the "**W**inding-up **P**roceedings") under which MWL claimed that the Company was indebted to MWL in the sum of HK\$5,700,000; and (b) petitioned that the Company be wound up by the Court. As at the date of this report, this Petition was dismissed by the High Court of Hong Kong. Separately, there are two other parties who claimed the Company was indebted to them. After investigation, the Company*

*found that the alleged debts claimed by these two parties arose from certain dealings between a former director of the Company and these two parties. The nature and mechanism of these dealings were the same or very similar to that of MWL's. In the Winding-up Proceedings, the court has found that there was an illegal scheme perpetrated on the Company by the aforesaid former director and MWL was a party to that scheme. In gist, the illegal scheme was that the aforesaid former director obtained loans from the counterparty and the Company was falsely made as a borrower to answer the repayment obligation. The Company commenced legal proceedings in the High Court (the "**Injunction Proceedings**") against these two parties seeking an injunction to restrain them from presenting any petition for the winding-up of the Company or to apply to substitute MWL as petitioner in the Winding-up Proceedings (the "**Restrained Acts**"). The two parties gave an undertaking to the court not to do the Restrained Acts until the resolution of the Injunction Proceedings.'*

Tai Shing International ... [CLICK TO ORDER FULL ARTICLE](#)

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