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**aeso**

## **AESO HOLDING LIMITED**

**艾碩控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8341)**

### **LITIGATION**

This announcement is voluntarily made by Mr. Chan Siu Chung (“**Mr. Chan**”) on behalf of Aeso Holding Limited (the “**Company**”) pursuant to Rules 17.10 and 17.26A of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), subject to the 31 August Injunction Orders (as defined below under the section “**Litigation**”) and the Stock Exchange’s conditions of use of the Company’s e-Submission account.

#### **WARNING**

Please note:

- (i) **The announcement is not made by the order of the Board and Mr. Chan Siu Chung is the only director of the Company who can act as a director of the Company while the current 31 August Injunction Orders (as defined below under the section “Litigation”) remain effective.**
- (ii) **Mr. Chan Siu Chung, in the capacity of a director of the Company, solely and exclusively accepts full responsibility of this announcement.**
- (iii) **The purpose of this announcement is to inform the market of the material information relating to the Company, and shareholders and potential investors should exercise cautions when dealing with the shares of the Company.**

## **Continued suspension of the trading in the Shares**

At the direction of the Stock Exchange, trading in the shares of the Company (the “Shares”) on the Stock Exchange has been suspended from 9:30 a.m. on 12 June 2017 pending, among others, clarification of the announcements published by the Company on 11 and 12 June 2017.

Trading in the Shares will continue to be suspended until further notice.

## **Litigation**

Below are brief descriptions of the recent material development of relevant ongoing legal actions in which the Company is a party.

### **1. HCA 1496/2017:**

On 26 June 2017, Acropolis Limited, being wholly owned by Mr. Chan and being a controlling shareholder of the Company, on behalf itself and all other shareholders of the Company, and Mr. Chan commenced a legal action HCA 1496/2017 against the following defendants:

- (i) W&Q Investment Limited (“**W&Q**”), being a controlling shareholder of the Company;
- (ii) Liu Chang Kien (“**Mr. Liu**”), being the sole shareholder of W&Q and a controlling shareholder of the Company;
- (iii) Zhang Qi (“**Ms. Zhang**”), a director of the Company nominated by W&Q;
- (iv) Law Wing Kit (“**Mr. Law**”), a director of the Company nominated by W&Q;
- (v) To Lung Sang, being one of the placees (the “**placee(s)**”) in the placing of the Company completed on 12 January 2017 (the “**Placing**”) and one of the requisitionists (the “**Requisitionists**”) in the requisition dated 13 April 2017 to the Company (the “**Requisition**”);
- (vi) Chan Kooi Por Benjamin, being one of the Placees and one of the Requisitionists;
- (vii) Cheung Denise, being one of the Placees and one of the Requisitionists;
- (viii) Chan Hin Hai Henry, being one of the Placees and one of the Requisitionists;
- (ix) Kort Wing Ho, being one of the Placees and one of the Requisitionists;
- (x) Ko Kwok Fai Dennis, being an alleged director of the Company pursuant to the resolutions of the alleged extraordinary general meeting of the Company held on 12 June 2017 (the “**12 June EGM**”);
- (xi) To Man Choy Jacky, being an alleged director of the Company pursuant to the resolutions of the 12 June EGM;

- (xii) Tsang Kwok Shan Sandy, being an alleged director of the Company pursuant to the resolutions of the 12 June EGM;
- (xiii) Daniel Kan Pui Kei (“**Daniel Kan**”), being a Responsible Officer in the listing of the shares in the Company on the GEM Board;
- (xiv) the Company, being a nominal defendant;
- (xv) Aeschylus Limited (“**Aeschylus**”), being a direct wholly-owned subsidiary of the Company and a nominal defendant added to the action HCA 1496/2017 pursuant to the Amended Writ of Summons re-filed on 8 September 2017; and
- (xvi) Aeso Limited (“**Aeso HK**”), being an indirect wholly-owned subsidiary of the Company through Aeschylus and a nominal defendant added to the action HCA 1496/2017 pursuant to the Amended Writ of Summons re-filed on 8 September 2017.

(Ms. Zhang, Mr. Law, Ko Kwok Fai Dennis, To Man Choy Jacky and Tsang Kwok Shan Sandy are collectively referred to herein as the “**Purported Directors**”)

According to the Statement of Claim filed on 9 October 2017 in the action HCA 1496/2017, Acropolis and Mr. Chan claim for, *inter alia*:

- (i) A declaration that the acquisition of shares of the Company by W&Q/Mr. Liu, the Requisitionists, and those Placees who were and are the nominees of, and/or would act and acted in tandem with and/or in accordance with the instructions and/or wishes of, Mr. Liu/W&Q and/or his associates, in the Pre-IPO Investment (as defined in the Prospectus of the Company dated 30 December 2016), Capitalisation Issue (as defined in the Prospectus of the Company dated 30 December 2016) and/or the Placing be invalid, null and void and of no legal effect; alternatively, an order that such acquisition of shares of the Company be rescinded and set aside for all purposes;
- (ii) A declaration that the 12 June EGM and the resolutions purportedly passed thereat be invalid and void ab initio and of no legal effect; alternatively, an order that the 12 June EGM and the resolutions purportedly passed thereat be rescinded and set aside for all purposes;
- (iii) an order that W&Q, Mr. Liu, the Requisitionists, the Purported Directors and Daniel Kan be jointly and severally liable to pay damages to the plaintiffs and/or the Company for common law fraud, conspiracy to defraud, unlawful means conspiracy, lawful means conspiracy, breaches of statutory duties and/or by virtue of sections 108, 281, 305 and/or 391 of the Securities and Futures Ordinance (Cap. 571); and
- (iv) An order that Ms. Zhang and Mr. Law pay damages and/or equitable compensation to the plaintiffs and/or the Company on a joint and several basis to be assessed, and for an account of profits, for their breaches of duties owed to the Company, and an order for all accounts and inquiries be taken or made as may be necessary.

Upon the application of Acropolis and Mr. Chan, the Court in HCA 1496/2017 granted the injunction orders (the “**31 August Injunction Orders**”) on 31 August 2017, which include the Order that W&Q, Mr. Liu, the Purported Directors, the Company, Aeschylus and Aeso HK be restrained from relying on and/or carrying into effect, until determination of the parties’ dispute, or until further order:

- (i) the resolutions purportedly passed at the 12 June EGM (the “**Disputed EGM Resolutions**”);
- (ii) the resolutions purportedly passed by the purported board of the Company in reliance of the Disputed EGM Resolutions;
- (iii) the resolutions purportedly passed and/or to be passed by the Purported Directors as the purported directors of the Company, and by the purported board of directors of the Aeschylus and Aeso HK in reliance on or deriving their authority from, whether directly or indirectly, the resolutions passed by the Purported Directors as the purported directors of the Company;

SAVE AND EXCEPT any resolutions passed for the Company to continue to defend HCMP 1647/2017 and in particular the Summons filed on 31 July 2017 by Dragon Success Enterprise Limited in HCMP 1647/2017, and also to continue HCA 1737/2017.

The 31 August Injunction Orders are now subject to the appeal of W&Q, Mr. Liu, Ms. Zhang, Mr. Law and the Requisitionists, which will be heard by the Court of Appeal on 2 March 2018. W&Q, Mr. Liu, the Purported Directors, the Requisitionists and Daniel Kan have filed their Defence and/or Counterclaim on 3 and 4 January 2018.

## **2. HCCW 218/2017:**

On 12 July 2017, Acropolis filed a Petition (the “**Petition**”) in the action HCCW 218/2017 against the following respondents:

- (i) W&Q;
- (ii) Mr. Liu;
- (iii) The Purported Directors;
- (iv) The Requisitionists;
- (v) Zhang Chenwei, being one of the Placees;
- (vi) Wang Kie, being one of the Placees;
- (vii) Lam Cheuk Yu; and
- (viii) The Company.

According to the Petition, Acropolis claims for, *inter alia*, the following orders:

- (i) That the 12 June EGM and Disputed EGM Resolutions be declared null and void *ab initio* and of no legal effect;
- (ii) That the subscription of shares in the Company (the “**Shares**”) by W&Q be declared null and void *ab initio* and of no legal effect;
- (iii) That the subscriptions of the Shares by the Requisitionists, Zhang Chenwei, Wang Kie and Lam Cheuk Yu and/or the other Placees in the Placing be declared null and void *ab initio* and of no legal effect; and
- (iv) Alternatively, that the Company be wound up.

**3. HCA 1357/2017:**

On 9 June 2017, W&Q on behalf itself and all other shareholders of the Company commenced a legal action HCA 1357/2017 against the following defendants:

- (i) Mr. Chan;
- (ii) Cheung Hiu Tung;
- (iii) Lee Chi Chung;
- (iv) Wang Aisheng;
- (v) Ye Wenxin; and
- (vi) The Company, being a nominal defendant.

According to the Endorsement of Claim under the Writ of Summons filed on 9 June 2017 in the action HCA 1357/2017, W&Q seeks, *inter alia*, the following relief:

- (i) Mr. Chan, Cheung Hiu Tung and Lee Chi Chung be removed as director and/or chairman of the board of the Company (as the case may be);
- (ii) A declaration that the meeting of the board of directors of the Company held on 8 June 2017 was invalid;
- (iii) A declaration that the appointment of Wang Aisheng and Ye Wenxin as independent non-executive directors of the Company was invalid; and
- (iv) As against Mr. Chan, Cheung Hiu Tung and Lee Chi Chung, damages for breach of fiduciary duties to the Company.

As at the date hereof, the W&Q has not file and serve its Statement of Claim in the action HCA 1357/2017.

Upon the *ex parte* application of W&Q on 9 June 2017, in the absence of the defendants, the Court made an injunction order that Mr. Chan, Cheung Hiu Tung, Lee Chi Chung, Wang Aisheng and Ye Wenxin be refrained from exercising or purporting to exercise any of their powers as a director of the Company until the conclusion of the 12 June EGM (the “**9 June Injunction Order**”).

On 16 June 2017, the Court ordered that the 9 June Injunction Order be discharged forthwith without prejudice to any contention and/or submission to the effect that it should or should not have been granted in the first instance.

On 30 November 2017, a Court hearing was held, in which the parties argued on the issue whether the 9 June Injunction Order should or should not have been granted in the first instance. The Court reserved its decision, which will be handed down at a later stage.

#### **4. HCMP 1721/2017:**

On 4 August 2017, the Company (procured by the board of directors of the Company in reliance of the Disputed EGM Resolutions), Ms. Zhang, Aeso HK (procured by the purported board of directors of Aeso HK in reliance on or deriving their authority indirectly from the resolutions passed by the Purported Directors) and Chan Kin Wing (a purported director of Aeso HK in reliance on or deriving his authority indirectly from the resolutions passed by the Purported Directors) commenced the action HCMP 1721/2017 against the following defendants:

- (i) Mr. Chan;
- (ii) Chiu Fu Keung;
- (iii) Cheung Hiu Tung; and
- (iv) Cheng Nga Lai.

According to the Originating Summons filed on 4 August 2017 in the action HCMP 1721/2017, the plaintiffs in gist claim, *inter alia*, orders compelling the defendants to disclose and allowing the plaintiffs or their agent to get access to various information and documents of the Company and Aeso HK and compelling Mr. Chan to change the authorised bank signatories of bank accounts held in the names of the Company and Aeso HK as may be directed by the Company and/or Aeso HK.

Pursuant to the Order of the Court dated 13 December 2017, the action HCMP 1721/2017 has been stayed sine die with liberty to restore.

**5. HCMP 1647/2017:**

On 21 July 2017, Dragon Success Enterprise Limited (“**Dragon Success**”) commenced an action HCMP 1647/2017 against the Company to claim for, *inter alia*:

- (i) The amount of HK\$34,804,119.55 as the outstanding principal of a loan advanced to the Defendant under an Irrevocably Loan Facility Agreement dated 8 June 2017 entered into between the Company with Dragon Success (the “**Loan Agreement**”) and secured by a Share Charge dated 8 June 2017 entered into between the Company with Dragon Success (the “**Share Charge**”);
- (ii) Interest on the amount of HK\$34,804,119.55;
- (iii) An order that the Defendant do transfer or cause to be transferred the 1 share in Aeschylus held by the Company as mortgagor/chargor under the Share Charge to Dragon Success; and
- (iv) Further and/or the alternative to the above paragraph, an order that the Company do sell the 1 share in Aeschylus as mortgagor/chargor under the Share Charge.

On 4 September 2017, the Court granted an order which provides, *inter alia*, that receivers be appointed to receive the 1 share in Aeschylus and to collect the interest, dividends or income arising therefrom until the final determination of the action HCMP 1647/2017 or further order of the Court.

The action HCMP 1647/2017 has been consolidated with the action HCA 1737/2017 (see below) on 12 October 2017.

**6. HCA 1737/2017:**

On 24 July 2017, the Company (procured by the board of directors of the Company in reliance of the Disputed EGM Resolutions) and W&Q commenced the action HCA 1737/2017 against Dragon Success, Mr. Chan and Cheung Hiu Tung to claim for, *inter alia*, a declaration that the Loan Agreement and the Share Charge be null and void and of no legal effect for want of authority and/or fraud; an order that Mr. Chan do provide all the books and records of the Company and its subsidiaries and other documents and information pursuant to the Company; and damages and/or equitable compensation against the relevant defendants.

Upon the application of the plaintiffs, the Court made an Order dated 24 July 2017 and an Order dated 28 July 2017 (the “**1737 Injunction Orders**”), with the effect that, *inter alia*, Mr. Chan and Cheung Hiu Tung be restrained from dispose of or deal with the value of their respective personal assets within Hong Kong up to the value of HK\$28,798,000. The 1737 Injunction Order against Cheung Hiu Tung has been discharged but the 1737 Injunction Order against Mr. Chan shall continue pursuant to the Decision of the Court on 21 December 2017.

The action HCMP 1647/2017 has been consolidated with the action HCA 1737/2017 (see above) on 12 October 2017.

**7. HCA 1227/2017:**

Reference is made to the Company's announcement dated 29 May 2017 in relation to the action HCA 1227/2017. Save and except the matter as set out therein, there has been no update in the action HCA 1227/2017. In particular, the Writ of Summons has not been served on the Company.

**Chan Siu Chung**  
*Executive Director and Chairman*

Hong Kong, 6 February 2018

*This announcement is not made by the order of the board of the Company and Mr. Chan Siu Chung is the only director of the Company who can act as a director of the Company under the current effective 31 August Injunction Orders.*

*This announcement, for which Mr. Chan Siu Chung, in the capacity of a director of the Company, solely and exclusively accepts full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. Mr. Chan Siu Chung, in the capacity of a director of the Company, having made all reasonable enquires, confirm that, to the best of his knowledge and belief, (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the date of the publication and on the website of the Company at [www.aeso.hk](http://www.aeso.hk).*