JULY 2026

DENIS CHANG'S CHAMBERS

TABLE OF CONTENTS

Authors

Anson has appeared in more than 200 court judgments (including 20 cases in the Court of Final Appeal with 14 substantive appeals) over the mere span of 11 years' call, reflecting the exceptional wealth of experience and exposure in civil litigation for his seniority. He has been ranked by *Legal 500* and *Chambers and Partners* since 2022 and 2023 respectively. In the latest edition of *Legal 500 Asia-Pacific 2026*, he is recognised as a Leading Junior in both Commercial Disputes and Administrative and Public Law.

Anson Wong Yu Yat

Barrister at Denis Chang's Chambers

Call: 2015 (HK)

Anson has developed a broad civil practice with particular interest in intellectual property and competition law matters. He is experienced in handling complex questions of law, including those of great general or public importance which reached the Court of Final Appeal. For example, he has in recent years appeared in (among others) four civil appeals before the Court of Final Appeal dealing with important questions concerning insolvency matters, land law and equity, service out of jurisdiction and statutory interpretation (see *Re Hsin Chong Construction Co Ltd* (2021) 24 HKCFAR 98, *Cheung Lai Mui v Cheung Wai Shing* (2021) 24 HKCFAR 116, *Fong Chak Kwan v Ascentic Ltd* (2022) 25 HKCFAR 135 and *Yim Tin Fook v To Sze On* (2026) 29 HKCFAR 217). He also appeared in one of the first two enforcement actions before the Competition Tribunal, arguing issues relating to the burden and standard of proof as well as the proper approach for the determination of pecuniary penalties (see *Competition Commission v W Hing Construction Co Ltd* [2019] 3 HKLRD 46; [2020] 2 HKLRD 1229).

View Anson's profile

Albert accepts instructions for both advocacy and advisory work and has been instructed on matters covering a wide range of areas of law. His practice covers Administrative and public law, Commercial disputes, Construction and property, Family and private client, Intellectual property, Labour and employment, Regulatory, investigations and crime.

Albert Wan

Barrister at Denis Chang's Chambers

Call: 2017 (HK)

Outside of his practice, Albert is a part-time law lecturer in various universities teaching Contract, Tort, and Family Law. Albert is also a contributing author for Lexis+ Hong Kong Practical Guidance, member of Panel of Adjudicators of the Obscene Articles Tribunal, member of the Standing Committee on Legal Aid Reform of the Hong Kong Bar Association and participating lawyer in the Duty Lawyer Service Free Legal Advice Scheme.

Before he joined the bar, Albert obtained a Master of Law (LLM) in Commercial Law at University of Cambridge and Bachelor of Laws (LLB) at City University of Hong Kong with First Class Honours. He was awarded several scholarships and prizes for his academic excellence. **View Albert's profile**

Case 1

Court clarifies the limited grounds on which a binding expert valuation may be challenged in Hong Kong company law proceedings

Leung Yuet Keung v Harbour Front Limited and Another [2026] HKCFI 3713

Date of Decision: 3 July 2026
Coram: Harris J

After an unfair prejudice petition, the Court ordered the 1st Respondent to purchase the Petitioner's shares in the 2nd Respondent. Joint expert valuers were directed to produce and did produce a binding share valuation. The 1st Respondent issued a summons seeking leave to put written questions to the experts for clarification regarding their reports.

The Court dismissed the application. The Court held that a binding expert valuation cannot be challenged on the grounds that it contains a mistake. It may only be challenged if the expert departed from instructions or if there was impropriety in the production of the valuation such as fraud or collusion. Parties are not entitled to ask questions about a binding valuation report, unless both parties explicitly agree to a clarification procedure, or a party can demonstrate sufficient impropriety to invalidate the valuation. In holding so, the Court distinguished the case of *Chan Yuet Keung v Harmony (International) Knitting Factory Ltd* [2010] 5 HKLRD 599 as that case concerned medical reports instead of binding valuation.

Case 2

The Companies Judge clarifies the proper interpretation and effect of section 183 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)

Re Baked Repulse Ltd [2026] HKCFI 3873

Date of Reasons for Decision: 7 July 2026
Coram: Hon Linda Chan J

This was an application by the Petitioner in a winding-up petition under section 183 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) ("CWUMPO") for leave to proceed with execution of a Writ of Possession. Linda Chan J clarified the proper interpretation and effect of section 183 of CWUMPO.

Background

The Petitioner is the registered owner of a shopping arcade located at Repulse Bay known as "The Pulse". By a lease agreement dated 5 November 2024 ("Lease Agreement"), the Petitioner agreed to let Shop No. 113 on Level 1 of The Pulse ("Property") to Baked Repulse Limited ("Company") for a fixed term of 6 years commencing on 5 June 2024 at the base rent of HK$90,000 per month for the first year and HK$95,000 per month for the second year, which is payable in advance on the first day of each calendar month and is exclusive of management fee, air-conditioning charges, promotional charges, government rates and all other outgoings. If the monthly turnover of the Company exceeds HK$1 million, it shall pay a turnover rent at 10% of the turnover.

Pursuant to the Lease Agreement, the Company took possession of the Property and operated a restaurant and a bar there until it moved out of the Property in March 2026. The Petitioner says that the Company has since 1 December 2025 failed to pay the rent payable under the Lease Agreement. On 4 March 2026, the Petitioner commenced proceedings at the Lands Tribunal against the Company claiming the outstanding rent and an order for vacant possession of the Property. The Company did not enter appearance in the proceedings and the Petitioner obtained a final judgment.

Subsequently, the Petitioner issued an application at the Lands Tribunal for leave to issue a writ of possession which was granted. On 4 May 2026, the Petitioner issued a Writ of Possession which was addressed to the Bailiff of the Lands Tribunal requiring him to enter the Property and cause the Petitioner to have possession of the Property. In the meantime, on 15 April 2026, the Petitioner presented a winding-up petition against the Company.

The Section 183 Application

Section 183 of CWUMPO provides:

> "**Avoidance of attachments, etc.**
>
> Where any company is being wound up by the court, any attachment, sequestration, distress, or execution put in force against the estate or effects of the company after the commencement of the winding up shall be void to all intents."

The Petitioner says that it has been advised that "pursuant to s.183 of CWUMPO, if the Company is eventually wound up by the Court, any execution in force against the estate or effects of the Company after the commencement of the winding-up shall be void". The Petitioner was also informed by a letter dated 13 May 2026 issued by the Bailiff Office that it had "suspended action on the Writ of Possession".

In the letter issued by the Bailiff Office, it stated that "our record shows that one or more company winding-up petitions have been presented against the judgment debtor in this action"; after reciting section 183 of CWUMPO, it asked the Petitioner to check with the Official Receiver's Office "so as to confirm whether or not the companies winding-up petitions against the judgment debtor in this action are still in force. Meanwhile we shall suspend actions in this case."

This was followed by the Petitioner issuing a summons to ask for leave to proceed with execution of the Writ of Possession.

Proper Interpretation and Effect of Section 183 of CWUMPO

Linda Chan J held:

1. As is clear from the wordings of section 183 of CWUMPO, it only affects "the estate or effects of the company". It has no application over any assets which do *not* belong to the company. Even if there is any doubt on the application of section 183, it is sufficient to read *Butterworths Hong Kong Company Law (Winding Up and Miscellaneous Provisions) Handbook*, 6th ed., §183.02 where it states that "This section avoids any execution, etc put into force against the <u>company's assets</u> after the commencement of the winding-up" (underlined added).

2. The suggestion that once a winding-up petition is presented against a company, it would have the effect of avoiding any attachment or execution over any assets owned by a third party (such as a landlord which has leased its property to the use of a company) is wholly without basis and only falls to be rejected.

3. In the present case, there is no suggestion (still less evidence) that the Company holds any rights or interests in the Property. There is no basis to suggest that section 183 of CWUMPO applies to the Property or that there is any reason (none has been articulated) as to why the Petitioner should be required to apply for leave under section 183 before it can take possession of the Property.

Case 3

Court emphasises the need for fair distribution of judicial resources in the context of last-minute applications before trial

Shanghai Metgoal Industrial Co. Ltd. (formerly known as Shanghai Pucakon Industrial Co. Ltd.) & Ors v Luk Suet Yim & Anor [2026] HKCFI 3996

Date of Reasons for Decision: 13 July 2026
Coram: Deputy High Court Judge Ng Jern-Fei KC

In this case, the Court emphasised the need for ensuring the fair distribution of finite judicial resources in the context of interlocutory applications before trial for adjournment, giving of evidence via video-link, and stay of proceedings pending restoration of a dissolved company back onto the companies' register. **Chan Chi Hung SC** and **Tiffany Yau** of Denis Chang's Chambers acted for the 1st Defendant.

The Plaintiffs applied for adjournment of trial on the last working day before the trial was due to commence, on the basis that 9 out of 12 of their factual witnesses could not be located and another witness had died. The Court held that the Plaintiffs failed to clear the high threshold of exceptional circumstances that would warrant an adjournment of trial dates, emphasising that where the missing witnesses could not be found an adjournment would not help. The Court refused to grant the adjournment which if granted would inevitably have an impact on other cases that are pending before the courts.

The Plaintiffs also applied for the remaining witnesses to give evidence by way of video-link in the event the adjournment application is dismissed. The Court granted such application so as to enable the trial to proceed and to ensure that there is a fair opportunity for the evidence of the Plaintiffs' witnesses to be examined orally, in order to strike the right balance between expedition and fairness.

The Plaintiffs also applied for the action to be stayed against the 2nd Defendant, a BVI entity which was discovered to have been dissolved. The Court allowed the application, emphasising that his decision would be consistent with the expedition/fairness decision matrix in allowing the trial to progress as scheduled and without causing any unfairness to any party given that the defence would not have been run differently even if the BVI company had not been dissolved.

In so doing, the Court highlighted the salient principles relevant to stay applications, including that (i) where one of the parties has ceased to exist, the continuation of proceedings involving such a party would constitute a nullity; and (ii) in cases involving deregistered corporate litigants, the decision whether to grant a stay was a matter of discretion, but generally the approach is to stay the proceedings pending application for the company's restoration to the register, as opposed to dismissing the action.

Case 4

Court of Appeal allows appeal on impermissible judicial copying

Ku Ming Fong Katherine & Ors v Chu Chia Chin Charles [2026] HKCA 1252

Date of Reasons for Judgment: 15 July 2026
Coram: Hon Kwan VP, Chu VP and G Lam JA

In this case, the Court of Appeal allowed the Plaintiffs' appeal on the ground of impermissible judicial copying. A striking feature of the judicial copying involved in this case is that at the time of trial in 2024, the same judge had already been warned by the Court of Appeal twice. **Denis Chang SC**, **Isabel Tam** and **Anson Wong Yu Yat** of Denis Chang's Chambers acted for the successful Plaintiffs on appeal (but not in the original trial).

The Plaintiffs claimed that a trust of some shares in Lully Corporation ("Lully" and "Lully Shares") was declared and constituted by a conversation between Mr Koo Ming Kown (the 4th Plaintiff) and Mr Charles Chu (the Defendant) in 1995. Lully was then a majority shareholder of Nam Tai Electronics Inc (南太電子有限公司), a listed company on Nasdaq and the New York Stock Exchange. This trust was for the benefit of the 1st Plaintiff, the 2nd and 3rd Plaintiffs (being the 1st Plaintiff's two children by her first marriage; "Leung Children") and the 1st Plaintiff's three children from her second marriage to the Defendant ("Chu Children"), with the Defendant as the trustee. The Plaintiffs claimed that the Defendant had breached the oral trust and his fiduciary duties towards the 1st to 3rd Plaintiffs, by converting the Lully Shares for his own use, by failing to hold the trust property for the benefit of the beneficiaries and/or for the upbringing of the Leung Children and the Chu Children.

This is an appeal by the 1st to 4th Plaintiffs against the judgment of Wilson Chan J handed down on 13 September 2024 ("CFI Judgment") after a trial on liability which lasted for eight days in March 2024. At the forefront of this appeal is the complaint of impermissible judicial copying. Almost 95% of the CFI Judgment comprises passages copied from the opening and closing submissions of the Defendant's counsel.

Kwan VP (giving the Reasons for Judgment of the Court of Appeal) held:

1. Apart from the extent of the copying, the quality of the copying leaves one in little doubt it could not have been apparent that the judge had applied an independent mind to bear on the important issues he was required to decide.

2. The good impression created by the display of judicial temperament and active engagement with counsel throughout the hearing cannot effectively displace the impression given by a judgment of extensive copying that the judge has subsequently abdicated his core judicial responsibility to think through for himself the issues he has to decide. The judge's task in bringing his own mind to bear on the issues and demonstrating it by expressing in his own language how he reached a finding cannot be substituted by his expressions of interest in or engagement with the issues during the hearing.

Accordingly, the Court of Appeal allowed the appeal and ordered a re-trial before another judge on liability.

Subsequently, on 27 July 2026, the Chief Justice issued a statement on behalf of the Judiciary, reiterating, *inter alia*, that:

> "The primary duty of a judge in adjudicating cases is to hear and determine them in accordance with the applicable law and the evidence presented before the court. In doing so, a judge must exercise an independent judicial mind in carefully considering and resolving the issues raised and in determining the disputes before the court. The exercise of independent judicial judgment, which lies at the heart of the adjudicative process, is principally reflected in the reasons and judgments delivered by the judge.
>
> Judicial copying strikes at the very core of this fundamental requirement. It raises serious concerns as to whether a judge has brought an independent mind to bear on the issues and disputes requiring determination. Such conduct is wholly unacceptable."

The Chief Justice has also taken this opportunity to remind judges and judicial officers at all levels of the court system of the importance of avoiding any form of judicial copying.

Case 5

Company cannot escape a debt it has repeatedly acknowledged in its own audited financial statements

Fortune Choice Development Limited v Profit Concept Finance Limited [2026] HKCFI 4327

Date of Decision: 31 July 2026
Coram: Recorder William Wong SC

The Plaintiff is a developer of a residential property project in Tuen Mun. The Defendant is a financing vehicle controlled by the liquidators Tianji Holding Ltd (Tianji), a key subsidiary of China Evergrande Group (CEG). The Defendant issued a statutory demand against the Plaintiff for a debt of HK$170,924,469 (Debt) under a Mortgage Subsidy Agreement (MSA). Under the MSA, the Defendant financed subsidised mortgage arrangements to boost sales for the Plaintiff's development in exchange for reimbursement of costs. The Plaintiff applied for an injunction to restrain the Defendant from presenting a winding-up petition, claiming the Debt was bona fide disputed on substantial grounds.

The Court refused to grant the injunction to restrain the winding-up, but granted a stay for 28 days for appeal or settlement. The Court rejected the Plaintiff's arguments that (1) the MSA was signed without proper board authorization and key directors lacked authority or breached fiduciary duties; and (2) the Plaintiff was solvent and that a winding-up petition would cause irreparable harm to property sales and financial stability. The Court found:

1. On authority: the director who signed the MSA, although appointed by Tianji, had implied actual and ostensible authority to act on behalf of the Plaintiff, as the board had assigned day-to-day operations and project management to him. Further, Mr Wang, the Plaintiff's main deponent, approved the MSA before it was signed. In any event, the MSA has been subsequently ratified by the Plaintiff. The Plaintiff repeatedly acknowledged and ratified the Debt across multiple Audited Financial Statements (AFS) and directors' representation letters spanning several years and used them to gain tax benefits. Citing *Sociedadae Nacional de Combustiveis de Angola v CSIL* [2025] HKCFI 3104, the Court held it was not open to Mr Wang, who signed on most of the Financial Documents, to dispute the Debt.

2. On solvency: since there was no bona fide dispute on substantial grounds, the Defendant was entitled as creditor to present a winding-up petition.

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