

HONG KONG / JUDGMENT

SIC v. WI AND ANOTHER

[2026] HKCFI 1795

COURT

Court of First Instance

DECIDED

25 March 2026

CASE / FILE NUMBER

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[2026] HKCFI 1795 IN THE HIGH COURT OF THE HONG KONG SPECIAL ADMINISTRATIVE
REGION COURT OF FIRST INSTANCE CONSTRUCTION AND ARBITRATION
PROCEEDINGS NO 68 OF 2025

IN THE MATTER of the Final Award dated 19 October 2021 made in Paris, France in arbitration
before the International Court of Arbitration, under the Rules of International Chamber of
Commerce (Case No 23771/AYC (C 23772/AYZ)) and IN THE MATTER of Sections 84 and 87(1) of
the Arbitration Ordinance (Cap 609) and Order 73 rule 10 of the Rules of High Court (Cap 4A)

BETWEEN SIC Applicant and WI and Another 1st & 2nd Respondents

Before: Hon Mimmie Chan J in Chambers Date of Hearing: 24 February 2026 Date of Decision: 25
March 2026

DECISION

Background

On 15 August 2025, the 1st Respondent in these proceedings () applied by Summons to set aside
the order granted by this Court on 18 July 2025 (Enforcement Order), whereby leave was granted
to the Applicant () to enforce an arbitral award dated 19 October 2021 (Award). The Award was
made in an arbitration before the International Court of Arbitration seated in Paris, France

(Arbitration), which was commenced by SIC against WI and another Respondent. Under the Award, it was declared that WI was in breach of an agreement made between SIC and the Respondents, and (inter alia) WI was ordered to pay to SIC a sum of US \$19,197,888 as damages, together with costs of US \$5,091,020. As an alternative to setting aside the Enforcement Order, WI sought in its Summons an order that execution of the Enforcement Order be stayed pending the final disposal of its appeal to the French Supreme Court for the setting aside of the Award at the seat of the Arbitration. Following the issue of WI s Summons, SIC applied on 20 November 2025 for security to be furnished by WI, in the amount of the Award and for SIC s costs incurred and to be incurred for the application to set aside the Enforcement Order. In default of providing security, SIC sought the dismissal of the Summons to set aside. Parties WI is a company incorporated in Hong Kong, whilst the 2nd Respondent is a company incorporated on the Chinese Mainland. They supply home appliances under the brand to distributors and purchasers worldwide, including Egypt. SIC is an Egyptian company controlled by the S Family, engaged mainly in the retail distribution of home appliances and consumer products in Egypt. In June 2011, WI entered into an agreement (White Goods Agreement) with a sister company of SIC, for the distribution of the H branded goods (referred to as the White Goods) in Egypt. The rights and obligations under the White Goods Agreement was later assigned to SIC, pursuant to an Assignment Agreement dated August 2012. The 2nd Respondent also entered into an agreement with SIC (Brown Goods Agreement), for distribution of H branded goods (referred to as the Brown Goods) in Egypt. The agreements with the Respondents are referred to collectively as Agreements . According to WI, SIC had been in financial difficulties since 2014, and it failed to meet the minimum purchase targets () specified under the Agreements. There was also consistent delay in the payment of invoices issued by WI, with overdue payments from SIC exceeding US \$3.9 million. On 25 December 2015, the Respondents terminated the Agreements on the ground that WI had failed, or was likely to fail, to meet the MPT. In July 2018, SIC commenced two arbitrations against the Respondents under the Agreements, which were later consolidated. The Award which was issued on 19 October 2021 found the Respondents termination of the Agreements to be wrongful, and they were ordered to pay substantial damages and costs to SIC. The sum of US \$19,197,888 which WI had to pay to SIC represented SIC s lost profits under the White Goods Agreement. The 2nd Respondent was ordered to pay US \$8,143,020 as damages for the profits lost under the Brown Goods Agreement. The present setting aside application is made by WI only. Applicable legal principles The parties do not dispute that the legal principles applicable to the setting aside application are set out in *Soleh Boneh v Government Uganda* [1993] 2 Lloyd s Rep 208, which case was followed by the Hong Kong courts in applications for security made under Order 73 rule 10A RHC. Applying the principles set out in *Soleh*, the Court will determine whether the award is manifestly valid or invalid, as perceived on a brief consideration. If the Court concludes that the award is manifestly valid, it will either order immediate enforcement, or alternatively grant an order for substantial security . If the award is manifestly invalid, there should be an adjournment and no order for security. The Court will then consider whether enforcement of the award will be made rendered more difficult if enforcement is delayed. On behalf of WI, Counsel emphasized that in considering whether to exercise the discretion under Order 73 rule 10A to impose terms as a condition of the further conduct of the

application to set aside an enforcement order, the Court should have regard to all the circumstances of the case, and that conditions should be imposed only if the court thinks it just to do so. Mr Manzoni SC referred to the case of *L v B*, HCCT 41/2015, 5 May 2016, and the observations made by the Court therein: Further, the Court has the wide power and discretion under O 73 r 10A RHC to order security generally, taking into consideration such circumstances as the merits of the proposed challenge to be made, the delay likely to be occasioned, the conduct and bona fide of the parties, the risk of there being inconsistent judgments and whether this can be remedied, and balancing the prejudice to the party entitled to enforcement of a binding award against any possible prejudice to the party resisting enforcement (emphasis added) Counsel also highlighted the fact that in *Soleh* as well as in *AAD AAE v BBF* [2024] 2 HKLRD 297, the courts have pointed out that an order for security to be put up for the whole amount of the award including interest for many years is a very strong and an exceptional measure. In *AAD v AAE* and *BBF*, the Court explained that there are issues of access to justice at stake, and that it should only be in an exceptional situation that a losing party in arbitration can be deprived of the entitlement to exercise its passive remedy of opposing enforcement of an award. In any event, any delay in making the application for security would be a factor which would be taken into consideration by the Court, as to whether the security sought is necessary, just and appropriate in the circumstances of the case (*G v N* [2023] HKCFI 2437, paras 31-32). The proceedings before the supervisory court After the Award was issued on 19 October 2021, WI had immediately applied to the Paris Court of Appeal, on 26 November 2021, to set aside the Award. The main ground relied upon was that there was a procedural fraud during the Arbitration, as SIC had withheld material documents which were determinative of the matters decided in the Award. On 17 October 2023, the Paris Court of Appeal issued its decision (Dismissal Decision), whereby the setting aside application was dismissed with costs against WI, which had to pay EUR 100,000. WI lodged an appeal against the Dismissal Decision on 9 November 2023 but because it did not pay the costs of EUR 100,000, WI appeal to the French Supreme Court was struck out on 9 January 2025. It was only on 1 April 2025 that the appeal was re-enlisted, upon WI s belated payment of the costs of EUR 100,000 on 1 April 2025, some 18 months after it had been ordered to do so. The appeal to the French Supreme Court is now pending and awaiting judgment, which WI claims is expected in early 2026 . SIC pointed out, however, that on 13 February 2026, the judge-counsellor appointed by the Supreme Court had recommended the Court to dismiss the appeal. As WI highlighted, this is only a recommendation, and the matter has to be finally decided by the Supreme Court. According to SIC - and this is common ground - the French Supreme Court cannot overturn the findings of the court below. So if appeal is successful, the matter will be remitted back to the Court Appeal for its reconsideration. As there is no setting aside by the Supreme Court on appeal, the Award remains valid unless and until the Court of Appeal decides, upon reconsideration, to set it aside. WI accepts that under French law, neither the appeal to the Court of Appeal nor the re-enlisted proceedings before the Supreme Court would suspend the enforceability of the Award. Merits of the application to set aside the Enforcement Order the ground relied upon According to the evidence filed by WI with the Summons, the application to set aside the Enforcement Order is on the ground that it would be contrary to public policy of Hong Kong to enforce the Award. According to WI, there are strong merits in its application because the Award

was obtained by SIC as a result of its misrepresentations to the Tribunal as to the integrity and thoroughness of the document production exercise performed by SIC (Misrepresentations), and as a result of SIC s dishonest concealment of documents which were material to the Arbitration (Dishonest Concealment). WI explained that in the Arbitration, a material part of SIC evidence on quantum, and which was relied upon to establish its case of alleged loss of profits sustained as a result of WI s wrongful termination of the Agreement, was a Business Plan (SIC Business Plan). The Tribunal described it as a simple document and not supported by the kind of supporting material that one might expect to find in a more professionally prepared business plan . It was not disputed in the Arbitration that the SIC Business Plan was created by SIC as a settlement negotiation tool between the parties, prepared after the event, and not contemporaneous with or for performance under the Agreements themselves. In the course of the Arbitration, WI had made elaborate requests for discovery and production of documents by SIC (Requests , which WI had enumerated in the Arbitration as Request 1 to Request 25), and the Tribunal had made orders on the Requests. On behalf of WI, it was highlighted that SIC had been required under the orders to produce (inter alia) all documents and communications comprising or relating to the (SIC Business Plan) , and additional business plans, projections, valuations and/or sales estimates made by SIC. According to WI, SIC had made misrepresentations to the Tribunal, that it had carried out a methodical and rigorous search and collection of its documents; that it had informed its relevant employees and all custodians of the obligations to produce documents in the Arbitration; and that it had produced all responsive documents that had been found. It was in reliance on these representations that the Tribunal concluded and believed that the SIC Business Plan was a forecast made by (SIC) in 2015 as to the value of products it could reasonably be expected to purchase in the coming years , and that the Tribunal has no reason to doubt that the data and values included in the (SIC Business Plan) reflects a genuine, good faith determination of SIC s prices and costs for the goods at issue . Damages were assessed by the Tribunal on that basis, the Tribunal explaining its conclusion as follows (at paragraph 746 of the Award): Having carefully considered the experts explanations as well as the Parties pleadings as to the appropriateness of the different alternatives as bases of sales projections for (SIC

- s) lost profit until the end of the respective contract terms, the Tribunal concludes that Alternative 1, based on the [SIC Business Plan], is an appropriate basis for this purpose, and a more appropriate one than Alternative 2 or Alternative 3. This conclusion is based on an overall assessment of the elements put forward by the experts and the Parties, but it includes the following considerations: While the (SIC Business Plan) is a simple plan based on the actuals that we had , forecasting sales based on SIC s target market share and the MPTs expected under the Agreements, and even if it arguably was not, in the Respondents words, a business plan in any real sense , it has the distinct advantage of being based, at least in large part, on the Parties intentions and aspiration under the very agreement the breach of which the Claimant is to be compensated for. WI s case is that the above representations made by SIC were later found to be false when, in November 2022 (after the Award), WI was able to obtain from a former employee of SIC (Mr W) concealed

documents, which were in fact crucial and material to the outcome of the Arbitration and would likely have changed the conclusions made by the Tribunal if the concealed document had been produced by WI in accordance with its discovery obligations. The documents obtained from Mr W, which should have been but were not produced in the Arbitration, included the following (Concealed Documents):

- (1) hundreds of emails consisting of annual, monthly and daily logistics reports shipment reports stock reports and sales target reports prepared internally by SIC, and falling within Request 3(f), being the source for the information on (SIC
- s) actual performance during 2009-2015 reported in the (SIC Business Plan) in relation to (i) actual sales, (ii) cost of goods sold, (iii) expenses (including advertising, hypemarket, salaries, depreciation and other expenses) and (iv) other revenue ;
- (2) dozens of emails consisting of budgets targets plans and floating plans prepared internally by the SIC falling within Request 5 ordered by the Tribunal, being additional business plans, projections, valuations and/or sales estimates made by (SIC) ; and
- (3) dozens of emails between SIC and the customs authorities requesting payment of delay penalties or internal discussions of SIC regarding requests from the customs authorities falling with Request 12. On WI s case, SIC s document production was significantly deficient, because (according to the submissions made by Counsel for WI):
- (1) In respect of the requests for document production, SIC was obliged to produce 44 out of 73 sub-categories of documents (either voluntarily or by virtue of the Tribunal s orders).
- (2) A purportedly methodical and thorough collection of 33.5GB of data and a professional review of 86,000 documents yielded a total of 101 substantive documents, of which 73 were scanned hard copy receipts that were irrelevant to the Respondents document requests, meaning just 28 electronic documents were produced.
- (3) Amongst the Concealed Documents, the Respondents uncovered an email dated 27 November 2014 from H (Reporting Manager) to W, copied to A (SIC s finance manager at the time), attaching the SIC 2015 Budget.
- (4) The SIC 2015 Budget is a comprehensive document setting out the SIC s contemporaneous sales projections for 2015 and projected growth rates for subsequent years (2016 - 2019).
- (5) The SIC 2015 Budget falls directly within the scope of Request 5 ordered by the Tribunal as an additional business plans, projections, valuations and/or sales estimates made by XXXXX and/or (SIC) between 13 April 2009 and 31 December 2015. It contained much lower sales projections than the SIC Business Plan. Had the SIC 2015 Budget been produced in the Arbitration, the Tribunal would most likely not have arrived at the above conclusions. Further, Counsel for WI contend that SIC s concealment of a significant number of documents responsive to its document production obligations was dishonest. The following submissions were made by Counsel:

- (1) SIC concealed the SIC 2015 Budget which is directly contrary to its own quantum case built on the SIC Business Plan. SIC conduct in the Arbitration, including the repeated misrepresentations, provides a strong inference that the concealment was deliberate and dishonest.
 - (2) SIC did not object to producing documents responsive to 42 out of the 73 requests made by the Respondents, but only produced 28 documents truly responsive to 4 requests in its voluntary production. It was able to conceal its obviously deficient production by the repeated misrepresentation that it had produced all responsive documents that were found. Such conduct in voluntary production is dishonest, because if documents responsive to the other 38 requests do not exist as a matter of fact, SIC should have objected to WI s requests on the basis that they do not exist. By not objecting to these requests, SIC has dishonestly circumvented the Tribunal s scrutiny over its response to such requests.
 - (3) While the mere number of the documents produced cannot directly prove that SIC has concealed documents, it is inherently implausible that only 133 documents purportedly responsive to all 46 requests agreed or ordered to produce could genuinely result from a comprehensive and professional document review. SIC s counsel s professional document review team was said to have conducted a review of documents filtered from a universe of approximately 33.5 GB of data and from 24,000 documents after search terms and deduplications were applied. The paucity of documents produced strongly suggests that the data repository provided to the Applicant s counsel for review was deliberately curated to exclude documents responsive to the Respondents requests.
 - (4) The SIC 2015 Budget was in the possession of obvious custodians including W, H and A, who were employed by SIC. Had their documents been collected, any obvious search words including budget sales plan profit forecasts f/cast would have identified the SIC 2015 Budget and potentially other Concealed Documents.
 - (5) SIC produced CP-00156 and CP-00157 2014 responsive to Request 5 in the Arbitration. CP-00156 and CP-00157 are both excel spreadsheets which share similar format and tab structure with the SIC 2015 Budget. CP-00156 is an excel spreadsheet recording SIC s actual profits and loss in 2014 and CP-00157 is an excel spreadsheet recording the SIC s actual sales data for
2014. In light of the similarities between these three documents, the same search terms and review protocol which identified CP-00156 and CP-00157 would have identified the SIC 2015 Budget for production.
- (6) The key difference between the SIC 2015 Budget on one hand and CP-00156 and CP-00157 on the other is that the SIC 2015 Budget contains the genuine and contemporaneous sales and profit projections for years between 2015 and 2019 whereas the other two documents merely record the 2014 actuals. The SIC 2015 Budget is a document truly responsive to Request 5, is material to the outcome of the Arbitration and at all material times was in the possession, custody or power of SIC. The overwhelming inference is that SIC had intentionally

suppressed the SIC 2015 Budget, and potentially other contemporaneous sales projections, because they would contradict and undermine its quantum case based on the SIC Business Plan. According to WI, the SIC 2015 Budget which was withheld by SIC was material to the outcome of the Arbitration. The quantum of damages decided upon by the Tribunal rested entirely on the sales forecast of the White Goods made in the SIC Business Plan, but if the SIC 2015 Budget and the sales projections and figures contained therein had been produced and had been considered by the Tribunal, WI's case is that the alleged lost profits in relation to the White Goods would have been reduced by at least 74%. On behalf of SIC, Mr Chapman pointed out that SIC has not yet filed its evidence in response to the allegations made by WI on the alleged procedural fraud, and that this is not the time for the Court to review the merits of the claims in great detail, apart from a brief consideration of the case, to decide whether WI as the applicant for the setting aside has discharged its burden of establishing that the Award is manifestly invalid. Mr Chapman also submitted that the question of procedural fraud as now alleged, and whether SIC had made full discovery of the documents in discharge of SIC's duties under the orders made by the Tribunal, had in fact been argued before the Tribunal and had also been canvassed before the supervisory French Court when WI had contended that recognition of the Award would violate public policy. The Paris Court of Appeal had rejected WI's claims and had refused to set aside the Award. WI sought to argue that the Hong Kong Court is not bound by the decision of the Paris Court of Appeal, and that this Court should independently decide questions of Hong Kong public policy as the Paris Court of Appeal had, at most, decided questions of French public policy. In this respect, I doubt if the French Court and the Hong Kong Court would have vastly different views as to the type of fraud alleged, and whether the procedural fraud in question would be against public policy. I also accept the submissions made for SIC that the decision of the supervisory Court at the seat would be given due weight by the court of enforcement as to whether the award in question is in compliance with the law of the seat and the procedural rules governing the arbitration at the seat (*Gao Haiyan v Keeneye Holdings Ltd* [2012] 1 HKLRD 627 at 102). However, although matters relating to SIC's obligations of discovery, and whether it had made full disclosure of the relevant documents, might have been argued before the Tribunal and/or the supervisory court, I pay heed to the submission and the evidence now produced by WI, that whereas it had only suspected (and claimed) during the course of the Arbitration that SIC might not have made full discovery in discharge of its obligations, WI has now obtained relevant evidence, after the Award, from former employees of SIC, of documents which were not disclosed and produced during the Arbitration but were in existence and in the possession, custody or control of SIC then. The discovery of the Concealed Evidence is, according to WI, actual evidence and proof of SIC's concealment of relevant and arguably material evidence which might have altered the Tribunal's Award on damages. To the extent that the Concealed Evidence has only been discovered after the Award, it was not a matter which had been considered by the Tribunal, and can show that there was concealment practised on WI and the Tribunal in the Arbitration. Whether and how the Award was affected, whether it can be set aside as a result, and whether there was dishonesty involved are for further argument at the

substantive hearing of the setting aside application before this Court. Counsel referred to *Karaha Bodas Co LLP v Perusahaan Pertambangan Minyak Dan Gas Bumi Negara* (2009) 12 HKCFAR 84, where it was held that there must be a real prospect of success in persuading the judge to find that the award had been obtained by fraud, before enforcement can be resisted. There is a high burden to be discharged, as what has to be established are that (as held in *Mayer Corporation Development Ltd v Alliance Financial Intelligence Ltd and others* [2019] HKCA 777): there was conscious and deliberate dishonesty in relation to the relevant evidence given; the fresh evidence must be material, in that it demonstrates that the previous relevant evidence, statement or concealment was an operative cause of the tribunal's decision, in that the conscious and deliberate dishonesty must be causative of the impugned award being obtained in the terms it was obtained; and materiality of the fresh evidence is to be assessed by reference to its impact on the evidence supporting the original decision. Whilst the fresh evidence now discovered can be seen on a brief consideration to be material, it remains to be established on further argument whether there was conscious and deliberate dishonesty on the part of SIC which had resulted in the concealment of the evidence. Counsel's contentions on inferences of dishonesty will have to be established to be justified on the evidence to be examined at the substantive hearing. It suffices to say at this stage, that it cannot be readily seen that the Award is either manifestly invalid for fraud, or manifestly valid to justify immediate enforcement, or an order of substantial security. Whether enforcement would be rendered more difficult as a consequence of delay The guidelines in *Soleh* are that the ease or difficulty of enforcement is a matter to be considered when deciding on whether security should be ordered. In *A v B* [2022] HKCFI 607, it was held that the court should compare the position of the creditor under the award if it was allowed to enforce it immediately, and its position if enforcement was to be delayed as a result of the adjournment of the enforcement proceedings. On behalf of WI, it was highlighted that it had acted promptly in challenging the Award. The Award was issued on 19 October 2021, and WI applied on 26 November 2021 to the French Court to set it aside. SIC pointed out that the French proceedings had been prolonged and delayed by WI, by its appeal against the decision of the Paris Court of Appeal to dismiss the setting aside application, and then delaying the payment of costs ordered by the French Supreme Court, which had the effect of delaying the hearing of the appeal to the Supreme Court for a period of 18 months. The decision of the Supreme Court on the appeal will only be expected in early 2026. SIC also submitted that WI had opposed SIC's enforcement of the Award on the Mainland, and had prolonged those proceedings by seeking substantial extensions of time for the filing of its evidence. SIC had been forced to incur substantial costs to pursue its rights in light of WI's opposition, despite SIC having obtained an award in its favor in the Arbitration, which by parties agreement was supposed to be final and binding. According to SIC, the delay in the enforcement of the Award as a result of the steps taken by WI in opposition had created real cash flow difficulties for SIC, and further delay arising from the multiple proceedings necessitated by WI's resistance to the Award and its enforcement will create substantial prejudice and hardship on SIC. It has been highlighted for SIC that WI's debt under the Award is substantial, being US \$24,288,908 excluding interest, and the amount of interest

payable as at the hearing in February 2026 already exceeds US million. As held in *R gP W _f _j P gP & o* prejudice the award creditor and certainly risks doing so. We regard that as a factor which would incline us towards providing some security. On WI s part, what was highlighted was SIC s own delay in seeking enforcement of the Award, demonstrated by the fact that despite the award having been made in October 2021, it was only on 23 May 2025 that SIC sought enforcement of the Award in Hong Kong by the issue of the Originating Summons in these proceedings. This was over 3.5 years after the Award, and demonstrated that SIC did not perceive any urgency or prejudice as a result of any delay. Counsel also referred to the fact that there was a further delay of 3-4 months after WI s application to set aside the Enforcement Order, before SIC saw fit to apply for security against WI. It was contended by WI that SIC s inaction is entirely inconsistent with any claim of risk of prejudice, and demonstrates that SIC itself perceived no deterioration in its position as creditor under the Award. In *G v N* [2023] HKCFI 2437, paras 31-32, this Court already explained that delay in the application for security is a relevant factor which may be weighed against the imposition of any security. As for SIC s alleged financial cash-flow problem, WI pointed out that SIC s cash-flow issues had been present and were experienced around 2014, well before the commencement of the Arbitration in July 2018. Any cash-flow difficulties or further financial hardship were not consequences of the alleged delay in enforcement. Counsel for WI further highlighted the fact that there is no evidence of any dissipation of assets being engaged by WI, which is a factor that weakens the case for security. On the other hand, it was argued for WI that to require security would have the effect of stifling its legitimate challenge of the Enforcement Order and its right of access to the court (relying on *AAD* and *AAE v BBF* [2024] 2 HKLRD 297), when there is no evidence of abusive or dilatory conduct on the part of WI. On SIC s part, it contends, on the basis of WI s assertion that its claim would be stifled if it were ordered to pay substantial security, that this puts in doubt whether WI had the ability to satisfy the amount owing under the Award when all recourses available to it by way of opposition have been exhausted. The appeal for setting aside the Award is now still pending before the Paris Supreme Court. If WI succeeds in its appeal, the French Supreme Court will remit the matter back to the Paris Court of Appeal, for the latter court to conduct a substantive assessment of WI s case that there was fraud practised against the Tribunal and WI in the Arbitration. WI accordingly urged this Court to adjourn the setting aside of the Enforcement Order, to await the outcome of the appeal proceedings which may involve the substantive determination by the supervisory Court of the fraud claims alleged, and that this is the prudent and reasonable course to take, in order to avoid any inconsistent judgments as to the validity of the Award sought to be enforced. The decision of the Paris Supreme Court may be expected shortly, but bearing in mind the procedure involved and the need for a referral back to the Paris Court of Appeal on a successful appeal in favour of WI, there would inevitably be some further delay before a substantive decision on the merits of the fraud allegation can be available. A further delay of at least 6 to 12 months does not sound unrealistic. Each case must be decided on its own facts, and those in *A v B* [2002] HKCFI 607 cited by Counsel for WI are distinguishable. Not only was there no evidence of dissipation of assets by the debtor, and only a relatively short

interim of 6 to 12 months envisaged before the decision of the supervisory court on the setting aside proceedings can be expected, but the creditor under the award had obtained security in the form of a charging order on shares of the debtor, and there was an undertaking from the debtor not to dispose of or encumber the shares forming part of its assets in Hong Kong. In those circumstances, no order for security was allowed. Whether security should be granted As this Court reasoned at paragraph 65 of the decision in A v B, the focus is on the consideration of the deterioration in the creditor's position, if an order for an adjournment should be made. If, upon comparison of the position of the creditor with and without an order for an adjournment, there is no deterioration in his position, then the need for security diminishes. Moreover, as Staughton LJ made clear in Soleh itself, when referring to the manifest validity or manifest invalidity of the award: in between there will be various degrees of plausibility in the argument for invalidity Each case must be considered in its own context and on its own facts, for the Court to be guided as to whether security should be ordered. Having duly considered all the factors in this case, which include the dilatory conduct of WI in making payment in the appeal proceedings before the supervisory court, which shows either a likelihood of its not honouring its payment obligations under any award or order against it, or its financial inability to do so; SIC's own delay in the enforcement proceedings in Hong Kong and the security application here; the lack of evidence of dissipation of assets by WI; the lack of evidence as to whether WI has assets in Hong Kong to the extent that it can be claimed that there would be a deterioration of SIC's position in the event that enforcement here is delayed; and the length of time before there can be a conclusion made by the Paris Court of Appeal on the issue of the fraud alleged in the Arbitration, I do not consider that an award for substantial security is warranted. SIC's cash flow and financial difficulties (which it had experienced before the Arbitration already) were not entirely the result of the delay in the enforcement of the Award, but it can be envisaged that it would suffer some inevitable prejudice if enforcement of the substantial award is further delayed by a further 6 to 12 months, when there is a binding award in its favor. Weighing the potential injustice to both parties, I would consider that security of US \$600,000 should be ordered, to cover partly the reasonable legal costs incurred and to be incurred by SIC in opposing the application to set aside the Enforcement, as a condition for adjourning the application, as WI seeks, until the conclusion of the appeal before the supervisory court, or until further order of the Court. The sum of US\$600,000 or its equivalent in Hong Kong dollars is to be paid into court within 14 days from the date of handing down of this Decision, and in default of payment, the summons dated 15 August 2025 be dismissed with costs to SIC on indemnity basis to be taxed if not agreed. The costs of the application for security are also to be paid by WI to SIC, to be summarily assessed. Parties are to agree on further directions for summary assessment. (Mimmie Chan) Judge of the Court of First Instance High Court Mr Simon Chapman KC (Solicitor Advocate), of Herbert Smith Freehills Kramer, for the applicant Mr Charles Manzoni SC, instructed by Karas So LLP, for the 1st respondent PAGE - A B C D E F G H I J K L M N O P Q R S T U V A B C D E F G H I J K L M N O P Q R S T U V A B C D E F G H I J K L M N O P Q R S T U V A B hz^' gd30 gd-M gdB, gd-M gd-M gd-M |pgp gdZM gdB, gd30 |uplpc\XPK gd l gd l gd30 gdZM gdZM

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