
Hughes Hubbard & Reed

HHR Wins \$30M Arbitration Award Enforcement for Shenzhen Zehuijin Investment Center

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September 2024 — The firm achieved victory for Chinese investment firm Shenzhen Zehuijin Investment Center (SZIC), enforcing an arbitration award of approximately \$30 million over a breached loan agreement.

In September 2017, SZIC entered into a one-year loan agreement with Sinowel Communication Technology and its founder Liu Yingkui (LIU), under which SZIC loaned Yingkui CN¥160 million to repurchase and release the variable interest entity structure of Sinowel.

The funding of the loan agreement began in December 2017 and was completed in four installments, with the final payment in May 2018. In December 2018, the loan matured and LIU failed to repay the amounts due under the loan agreement.

In July 2020, SZIC submitted an arbitration dispute to the Beijing Arbitration Commission (BAC). In March 2021, the BAC tribunal ruled in favor of SZIC, and issued the investment firm an arbitration award of approximately \$30 million.

LIU has since attempted to challenge the BAC arbitral award before multiple courts, including the High Court of the Republic of Singapore and even the procuratorate of the People’s Republic of China. In February 2024, SZIC engaged Hughes Hubbard & Reed to file a petition to confirm the BAC arbitral award before the U.S. District Court for the Southern District of California. LIU filed a cross-motion to dismiss or stay the petition.

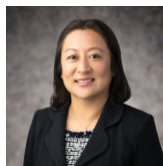
On Sept. 10, 2024, Judge Michael M. Anello denied LIU’s cross-motion to dismiss and granted SZIC’s petition largely confirming the BAC’s arbitral award.

Hughes Hubbard’s New York and Los Angeles offices worked collaboratively on this case. Christine Kang, Yi-Chin Ho and Meaghan Gragg led the HHR team, which included Sigrid Jernudd and Shawn Wang.

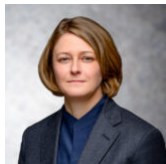
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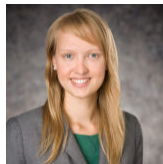
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