IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 0323 OF 2022 (DDJ)

BETWEEN:

TAIPING TRUSTEES LIMITED (ON ITS OWN BEHALF AND ON BEHALF OF VALLEY STONE INDUSTRY FUND, L.P. (IN VOLUNTARY LIQUIDATION))

Plaintiff

VALLEY STONE INDUSTRY FUND LTD (IN ITS OWN CAPACITY AND IN ITS CAPACITY AS GENERAL PARTNER OF VALLEY STONE INDUSTRY FUND, L.P. (IN VOLUNTARY LIQUIDATION))

AND

First Defendant

HUARONG INTERNATIONAL ASSET MANAGEMENT LIMITED

Second Defendant

HUARONG INTERNATIONAL FINANCIAL HOLDINGS LIMITED

Third Defendant

Before: The Hon. Justice David Doyle

Heard: On the papers

Draft Judgment circulated: 28 February 2024

Judgment delivered: 5 March 2024

HEADNOTE

Determination of application for costs

JUDGMENT

Introduction

1. On 16 February 2024 following the filing of a summons dated 13 September 2023 (the "Application") I made an order, for the reasons stated in a judgment delivered on 29 January 2024, declaring that the court had no jurisdiction over the Second and Third Defendants and the proceedings against the First Defendant were stayed. I also discharged the *ex parte* Order I had made on 2 June 2023 granting the Plaintiff leave to serve the Writ of Summons on the Second and Third Defendants out of the jurisdiction.

2. I noted receipt of the Defendants' concise written submissions on costs dated 12 February 2024 and ordered that any concise (no more than 5 pages) written submissions in response be filed and served by 26 February 2024. I have considered the written submissions that have been filed.

The position of the parties

3. I note all that is written on behalf of the parties.

4. The Defendants submit that the Plaintiff should pay the Defendants' costs of and incidental to the Application and the proceedings generally on the indemnity basis. Alternatively, the Defendants seek costs on the standard basis and dispensation from Order 62 rule 18(1) of the Grand Court Rules to allow foreign lawyers' fees to be recovered.

5. The Plaintiff sensibly does not dispute that an order for costs should be made in the Defendants' favour on the ordinary principle that costs follow the event. However the Plaintiff unsurprisingly does dispute that the Defendants are entitled to their costs on the indemnity basis or that they are entitled to a dispensation to permit recovery of their foreign attorney's fees. The Plaintiff considers that the appropriate basis of costs is the standard basis with no dispensation being made such that the Defendants are not permitted to recover the costs of their foreign attorneys.

Determination

6. I am not persuaded that it would be appropriate to make an order on the indemnity basis. The Plaintiff has not acted improperly, negligently or unreasonably to a high degree. The Plaintiff did not act "out of the norm". There was nothing "out of the ordinary."

7. Moreover, I am not persuaded that the dispensation for foreign lawyers who have not been admitted in the Cayman Islands is appropriate in this case.

8. I am however persuaded that the Plaintiff should pay the Defendants' costs of and incidental to the Application and such costs should be taxed on the standard basis in default of agreement. The attorneys should within the next 7 days file a draft order reflecting the determinations in this judgment.

David Doyle

THE HON. JUSTICE DAVID DOYLE
JUDGE OF THE GRAND COURT