

**HONGKONG CONSTRUCTION (HOLDINGS) LTD :
COMPANY HOLDS OUT THE BEGGING BOWL TO GOVERNMENT**

It does not take a Sherlock Holmes to understand that the financial troubles of Hongkong Construction (Holdings) Ltd (Code: 190, Main Board, The Stock Exchange of Hongkong Ltd) these days, must be horrendous – because the company is leaving a mountain of claims behind it as it traverses one financial year after another.

Only recently, Hongkong Construction was hit with 2 more claims, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), seeking, in aggregate, about \$HK14.33 million.

For a company, which claims to have construction contracts in hand, contracts of an aggregate value of about \$HK6.60 billion, such a sum of money of \$HK14.33 million should, one would have assumed, be of little materiality to senior Management.

But, for Hongkong Construction, it would appear to be another pinprick that is drawing away the company's lifeblood, little by little.

VSL Hongkong Ltd has made a claim against Hongkong Construction (High Court Action Number 3392), alleging that Hongkong Construction owes it \$HK1,154,360.91, *'being the outstanding amount for work done and materials supplied'* in respect of the sub-contract work of the Olympia Station Site, at Taikoktsui, Kowloon, going back to July, last year (this is a Mass Transit Railway station).

Despite a letter from VSL to Hongkong Construction, having been sent, the publicly listed company has chosen to refuse or it has failed to settle the claim, according to Paragraph 3 of the Statement of Claim, attached to the Writ of Summons.

The other High Court Action was initiated by Tridant Engineering Company Ltd, which issued its claim against Hongkong Construction along similar lines to VSL, alleging that it was owed about \$HK13,176,626.97.

Tridant Engineering alleges that it was, also, a sub-contractor of Hongkong Construction, having been awarded its contract on September 29, 2000.

In the case of Tridant Engineering, it is alleged that it was contracted to execute works, relating to electrical installations, low voltage cubicle switch boards, diesel generating sets, broadcast reception and security systems at Science Park, Pak Shek Kok, New Territories, the HKSAR.

Tridant Engineering is a 51-percent-owned subsidiary of publicly listed New World Development Company Ltd (Code: 17, Main Board, The Stock Exchange of Hongkong Ltd).

For the Financial Year, ended December 31, 2001, Hongkong Construction suffered a Loss Attributable to Shareholders of about \$HK836.10 million.

It could be said that this was a slight improvement over the Loss Attributable to Shareholders for the 2000 Year when the company told its shareholders that the red ink flowed to the extent of about \$HK1.15 billion.

The Turnover for the 2000 Year was about \$HK1.89 billion, while the Turnover for the 2001 Year was about \$HK1.83 billion.

In both Years, however, the Cost of Sales exceeded the Turnover by a rather reasonable margin, of about 13.76 percent and 6.56 percent, respectively.

The Chairman of Hongkong Construction, Mr Shi Li Wen, told his shareholders ... [CLICK TO ORDER FULL ARTICLE](#)

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