

**PAUL Y. – ITC CONSTRUCTION HOLDINGS LTD :
THE WISDOM OF SOLOMON DETERMINES TO SUE THE COMPANY**

When one concedes that one owes money to a third party, the normal thing to do is to pay up.

Unless, of course, one does not have sufficient cash to satisfy the debt.

In the case of High Court Action Number 3600, it would appear that a 45-percent owned associated company of Paul Y. – ITC Construction Holdings Ltd (Code: 498, Main Board, The Stock Exchange of Hongkong Ltd) is in just such a position.

Unless, of course, there is more to this situation than has, already, been published in HKSAR Court documents.

High Court Action Number 3600 is between Solomon Industrial Ltd and Bongear Elevator (Hongkong) Ltd, Bongear Elevator, being the 45-percent owned associated company of Paul Y. – ITC.

According to the Statement of Claim, attached to the Writ of Summons, Bongear Elevator – which, as the name implies, is in the business of installing and maintaining lifts and escalators and what-have-you – came into various purported agreements with Solomon Industrial, whereby Solomon Industrial ‘*agreed to sell a variety of components (“Products”) to the Defendant (Bongear Elevator) ...*’. (Paragraph 3 of the Statement of Claim)

Between May 10, 2000 and March 27, 2002, Solomon Industrial alleges that it sold and delivered Products to Bongear Elevator at the cost price of \$HK7,521,832.44.

Paragraph 6 of the Statement of Claim, then, continues:

‘In breach of the Agreements, the Defendant has failed or refused and still fails and/or refuses to pay the said sum of HK\$7,521,832.44 or any part thereof to the Plaintiff (Solomon Industrial) despite repeated requests and/or demands.’

Paragraph 8 alleges:

‘Liability has been conceded by the Defendant as evidenced in a letter of Audit Confirmation dated 3rd July, 2002 prepared by the Defendant’s auditor ... which was signed and confirmed by the parties that a sum of HK\$7,521,832.44 was due to the Plaintiff.’

Paul Y. – ITC had, on its Board of Directors, Messrs Canning K.N. Fok and George Magnus, both of whom have the ear of the richest man in the world, Mr Li Ka Shing.

The Li Ka Shing Empire was, apparently, very close to Paul Y. – ITC, at least for the best part of the 2001 Financial Year, ended March 31, 2001, since official company documents make mention of the fact that Hutchison Whampoa Ltd (Code: 13, Main Board, The Stock Exchange of Hongkong Ltd) was ‘*a substantial shareholder of a subsidiary*’ of Paul Y. - ITC. (Page 25 of the 2001 Annual Report of Paul Y. – ITC)

According to the 2002 Annual Report of Paul Y. – ITC, Messrs Canning Fok and George Magnus resigned as Directors of the company, during the 2002 Year.

No explanation has ever been given for their departure, but there is no legal requirement for definitive reasons to be given for the resignations of directors of companies, other than a simple statement to the effect that they are no longer directors.

During the 2001 Financial Year of Paul Y. – ITC, Hutchison Whampoa Ltd and its associates handed out work to Paul Y. – ITC to the contract value of about ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published,
TARGET cannot be held responsible for any errors and/or omissions.***

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.