

**FAR EAST CONSORTIUM INTERNATIONAL LTD :
OH, DEAR! DID BALMY DEACON CHIU TE KEN FORGET, AGAIN ?**

The Main Contractor of a property development in Kowloon, the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), has sued a wholly owned subsidiary of Far East Consortium International Ltd (Code: 35, Main Board, The Stock Exchange of Hongkong Ltd) for more than \$HK16.32 million.

Far East Consortium is the owner of Numbers 60-66, Baker Street, Baker Court, Hunghom, Kowloon, a residential site, having an area of about 604 square metres (about 6,501 square feet).

It is this Baker Street property and its redevelopment that is the crux of a claim, made by Wah Seng General Contractors Ltd against Charter National International Ltd, a wholly owned subsidiary of Far East Consortium.

According to the Statement of Claim, attached to High Court Action Number 201, Wah Seng was appointed as the Main Contractor for the redevelopment of the Baker Street Project on or about March 21, 2001 by Charter National International.

The redevelopment of the Project was on the basis of a fixed lump sum payment of \$HK67 million, Paragraph 5 of the Statement of Claim alleges.

The Architect for this project was Ivanho Architects Ltd, which was commissioned and appointed by Charter National International.

(Ivanho Architects sued Charter National International for \$HK1,318,495.62 on April 19, 2000, pursuant to the Professional Service Proposal, dated July 1997, according to TOLFIN [TARGET's Computerised Online Financial Service and Credit-Checking Provider]).

Paragraph 8 of the Statement of Claim alleges that Ivan Ho Architects issued Interim Certificates Number 16, 17, 18 and 19 on August 22, 2002, August 23, 2002, October 29, 2002 and December 9, 2002, respectively.

The issuing of such Certificates is the method, normally adopted for contractors to make claims to owners of property projects in order for them to get paid for work that has been completed up to the date, specified on the Architect's Certificates.

Paragraph 8 of the Statement of Claim continues:

'The amount certified by the Architect in respect of each of the said interim certificates due to the Plaintiff (Wah Seng) are HK\$4,420,468.62, HK\$2,179,733.50, HK\$810,368.00 and HK\$1,910,741.83 respectively. The total amount due to the Plaintiff is HK\$9,321,311.95.'

Then, Paragraphs 9 and 10 allege:

'Pursuant to the appendix to the Conditions aforesaid, the period for honouring the said interim certificates nos. 16, 17 and 18, expired on 27th September, 2002, 25th October, 2002, 30th November, 2002 and 10th January, 2003 respectively. In respect of the amounts certified in the said interim certificates due to the Plaintiff, the Defendant has only paid a partial payment of

HK\$1,000,000 to the Plaintiff on 11th December, 2002 despite repeated requests and demands by the Plaintiff after presenting the same to the Defendant. The outstanding certified amount in the sum of HK\$8,321,311.96 due to the Plaintiff is particularized as follows ... '.

'In breach of the express/implied terms of the Main Contract, the Defendant has caused delay and disruption to the completion of the Main Contract works by the Plaintiff. As a consequence, the Plaintiff has suffered loss and expense in excess of a sum of HK\$8,000,000.00, the particulars of which are to be provided. Pursuant to Clause 24 of the Condition, the Plaintiff is entitled to recover such sum from the Defendant.'

Paragraph 11 of the Statement of Claim alleges that Charter National International made representations to Wah Seng that it was, in fact, the owner of Baker Court, whereas *'in fact, the Defendant's representation was false, in that the Defendant only enjoyed a right of way over the Baker Court. As a consequence, the scheduled construction works could not be carried out and the completion date for the Main Contract was therefore delayed. The completion date of the Main Contract works has therefore been set at large and a reasonable time for completion of the Main Contract is on 2nd December 2002.'*

Wah Seng is claiming ... [CLICK TO ORDER FULL ARTICLE](#)

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