

**YUE DA HOLDINGS LTD:  
TARGET DID SUGGEST NOT TO DRIVE, BUT TO TAKE THE TRAIN**

On November 29, 2001, when [Yue Da Holdings Ltd](#) went public on the Main Board of The Stock Exchange of Hongkong Ltd, the Main Board, being the principal bourse of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), TARGET's financial analyst, after scanning that company's Placing and Offer Prospectus, came to the conclusion that one would be well advised to board a train rather than drive down the 47.40-kilometre stretch of National Highway 204, located to the east of the PRC, proper, which is managed by this publicly listed company.

TARGET said, among other things, that this company, which is known by Stock Code Number 629, would have declining profits for the next few years, at least.

TARGET's prognostications have come to pass.

But it would appear that this company, today, is facing a cash crunch, if one may be assured that that which is alleged in High Court Action Number 1767 is correct in all general aspects.

High Court Action Number 1767 is between Bank of China (Hongkong) Ltd – which is part of BOC Hongkong (Holdings) Ltd (Code: 2388, Main Board, The Stock Exchange of Hongkong Ltd) – and Yue Da Enterprise Group (Hongkong) Company Ltd.

Yue Da Enterprise Group (Hongkong) Company Ltd is wholly owned by Jiangsu Yue Da Group Company Ltd, a PRC, State-owned company, which is, beneficially, the Ultimate Holding Company of Yue Da Holdings Ltd via Yue Da Group (Hongkong) Company Ltd.

It is alleged in the Statement of Claim, attached to the Writ of Summons, that a Loan Agreement was entered into between Bank of China and Yue Da Enterprise on September 29, 1995, modified by another Supplemental Agreement, dated September 21, 1998.

Paragraphs 5 and 6 of the Statement of Claim alleges that Yue Da Enterprise utilised the term loan and, by virtue of the Supplemental Agreement, the bank *'agreed to extend the maturity date for the principal sums of the Term Loan to 20<sup>th</sup> October 2002.'*

As at April 23, 2003, Yue Da Enterprise owed its banker \$US6,360,240.27 (about \$HK49.61 million), it is claimed at Paragraph 7.

Interest is being charged on the outstanding sum of money at the rate of about 5.75 percent per annum, the Statement of Claim alleges.

Bank of China, via its solicitors, alleges that it sent a Letter of Demand to Yue Da Enterprise on May 7, 2003, but it did not result in shaking any money out of the Yue Da Enterprise *'tree'*.

It would appear, evidenced by this HKSAR High Court Action, that Bank of China is not completely happy with its PRC customer, in spite of it, as with itself, being beneficially owned by the PRC Government.

Getting back to the float of Yue Da Holdings Ltd on the Main Board of The Stock Exchange of Hongkong Ltd, TARGET made mention, at the time that this company sought to raise about \$HK48 million, gross, that:

*'Since 1998, the Company has experienced declining profitability; and, it is forecasting even lower profits for the Current Financial Year, ending December 31, 2001, ending December 31, 2001.'*

Now, updating subscribers of TARGET on the situation in this company ... [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](mailto:editor@targetnewspapers.com) or [targnews@hkstar.com](mailto:targnews@hkstar.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*