

**CHINA RICH HOLDINGS LTD:
YOU CAN RUN, BUT YOU CANNOT HIDE – FOREVER**

In what appears to be an attempt to wrest nearly \$HK150 million for creditors of a bust construction company, the Liquidators of Wing Fai Construction Company Ltd have issued legal proceedings in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) against a subsidiary of Wing Fai Construction's former parent company.

So much was the former parent company's nose put out of place that it issued an announcement about the matter, stating, inter alia, that it was seeking legal advice from its solicitors.

The essence of High Court Action Number 2570, which is between Wing Fai Construction (in Liquidation) and Fitzroya Finance Company Ltd, is that it is alleged that Fitzroya Finance owes nearly \$HK150 million to Wing Fai Construction.

And the Liquidators of Wing Fai Construction are out to get that money.

Fitzroya Finance is a wholly owned subsidiary of [China Rich Holdings Ltd](#) (Code: 1191, Main Board, The Stock Exchange of Hongkong Ltd), formerly an up-and-coming property development/construction company of the HKSAR.

China Rich, also, was the parent company of Wing Fai Construction before it was sold and before it became the target of Enfield Construction Company Ltd, which issued a Winding-Up Petition, naming Wing Fai Construction as the Debtor.

(When a company goes into Liquidation, all previous directors of the entity have to resign in favour of the Court-appointed Liquidator(s), if one is so appointed)

Enfield Construction sought to wind up Wing Fai Construction on July 6, 2002.

Between the years 2000 and 2003 (up to today), Wing Fai Construction attracted claims of not less than 14 High Court Actions, 34 District Court Actions and 34 Small Claims Tribunal Actions.

This has to be something of a record, even for a territory, such as the HKSAR, where things can become very acrimonious and litigious.

The one-paragraph Indorsement of Claim, attached to the Writ of Summons in High Court Action Number 2570 states:

'The Plaintiff's claims is for the sum of HK\$149,270,046.00 being an outstanding debt due to the Plaintiff by the Defendant based on a series of inter-company transactions up to 31 January 2002 as outlined in the Plaintiff's latest books and records and as admitted by the Defendant and for interest and for costs.'

On July 31, 2002, **TARGET** exclusively reported that 8 days prior to our report, the offices of Wing Fai Construction were invaded by irate subcontractors, wanting to get paid.

The subcontractors were demanding about \$HK70 million from Wing Fai Construction and another former subsidiary of China Rich, Wai Shun Construction Company Ltd.

It was a messy situation because the subcontractors, in turn, owed tens of millions of dollars to some 500 workers, employed by them.

The claims of the workers, as **TARGET** reported, was not less than \$HK40 million.

In the Interim Report of China Rich, for the 6-month period, ended January 31, 2002, it is stated, at Note 23, that subsequent to that date, Benefit Holdings International Ltd, another wholly owned subsidiary of China Rich, had entered into an unconditional agreement '*to dispose of all its shareholding interest in Wing Fai Construction Company Limited.*'

The consideration was said to have been \$HK5.10 million, with the buyer, being Sino Glister International Investment Ltd.

The consideration included all of the Issued and Fully Paid-Up Shares of another China Rich construction company: Wai Shun Construction Company Ltd.

This Note stated that part of the deal was ... [CLICK TO ORDER FULL ARTICLE](#)

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