

**MINGLUN GROUP (HONGKONG) LTD:
WHAT DO YOU THINK ARE THIS COMPANY'S CHANCES
OF GETTING BACK ITS \$HK18.62 MILLION ?**

Minglun Group (Hongkong) Ltd, formerly known as Luen Tai Group Ltd (Code: 346, Main Board, The Stock Exchange of Hongkong Ltd), looks as though it stands to lose about \$HK18.62 million if one may be permitted to interpret the present situation as being indicative of what is likely to transpire in the immediate future.

Minglun Group, in its 2003 Annual Report, stated, at Note 18, that, as at March 31, 2003, the parent company was owed \$HK18,616,000 by, what was termed: '*A Related Company*'.

That related company is Luen Tai Industrial (Hongkong) Ltd, which, according to **TOLFIN (TARGET's Computerised Online Financial Intelligence Service and Credit-Checking Provider)**, is owned as to 50 percent by a Mr Kwok Tat Kwong and 10 percent by a Mr Liau Leong Pin.

Both Messrs Kwok Tat Kwong and Liau Leong Pin were former Directors of Minglun Group, with Mr Kwok Tat Kwong, being the former Chairman.

The \$HK18.62 million, which is owed to Minglun Group by Luen Tai Industrial, is said to be '*unsecured, interest-free and repayable on demand*', the Annual Report of Minglun Group states.

Today, however, it may be a little difficult for Minglun Group to demand repayment from Luen Tai Industrial's management – because there is every appearance that this related company does not have the ability to repay its debts to Minglun Group.

Or to anybody else, for that matter.

At least, Skynews Development Ltd would attest to that as being fact, following what must be considered its rather unsatisfactory association with Luen Tai Industrial.

According to Skynews Development, Luen Tai Industrial owes it about \$HK182,000, but Luen Tai Industrial is unable, or unwilling, to pay up.

This contention is contained in a recently filed claim, lodged in the District Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

According to the Statement of Claim, attached to Writ of Summons, Number 5518, it is alleged that Skynews Development entered into an agreement with Luen Tai Industrial in January, this year, whereby it agreed to sell to Luen Tai Industrial, a sponge-cutting machine, together with accessories, at a price of \$HK260,000.

Paragraph 6 of the Statement of Claim alleges that a 30-percent payment in the amount of \$HK78,000 was paid to Skynews Development by Luen Tai Industrial, in accordance with the January 3 agreement, and that the sponge-cutting machine was delivered to Luen Tai Industrial's factory in Shenzhen, the PRC, proper.

The sponge-cutting machine was ready for full operation on April 10, 2003, it is alleged at Paragraph 8 of the Statement of Claim.

Then, at Paragraph 10, it is further alleged:

'In wrongful breach of the Agreement (of January 3, 2003) and despite repeated demands and requests, in particular the letter from the Plaintiff's solicitors to the Defendant (Luen Tai Industrial) dated 23rd June 2003, the Defendant has failed and/or refused to pay the Plaintiff the sum of HK\$156,000.00 or any part thereof.'

It is because the amount of money, being claimed by Skynews Development, is relatively small that makes one think that, perhaps, Luen Tai Industrial is more than a little bit short of the ready.

Unlike Luen Tai Industrial's alleged debt to Skynews Development, its debt of \$HK18.62 million, owed to Minglun Group, is not a small sum of money, at all.

In terms of Minglun Group's Shareholders' Funds, being about \$HK109.94 million, as at March 31, 2003, \$HK18.62 million represents about 17 percent – not ... [CLICK TO ORDER FULL ARTICLE](#)

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