

**ARNHOLD HOLDINGS LTD:
HONGKONG BENEFactor OF ISRAEL HITS A CRAB**

A company, legally owned by the Chief Trustee of Ohel Leah Synagogue, the synagogue, built in 1901, being the pride of Judaism in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), appears to be having its fair share of troubles, with one of its subcontractors, painting a rather critical (some people might be tempted to call it, damning) picture of it.

Arnhold Holdings Ltd (Code: 102, Main Board, The Stock Exchange of Hongkong Ltd), which is controlled by Mr Michael John Green, who is known to have, registered in his name or that of a corporate entity(ies) that he controls, about 62 percent of the Issued and Fully Paid-Up Share Capital of the company, has just had one of its main subsidiaries sued for the seemingly inconsequential amount of \$HK681,650.55.

For a company, whose Turnover is in excess of \$HK478 million per annum, such a sum of money as \$HK681,650.55 would appear to be of little concern.

And the latest financial records of Arnhold Holdings do indicate that such a sum of money as \$HK681,650.55 should be of little concern, all things considered.

However, San Hing Mechanical and Electrical Engineering Ltd is very concerned about this seemingly inconsequential amount of money – because this subcontractor is claiming that it belongs to this company and, further, it is incapable of getting it from Arnhold and Company Ltd, the wholly owned subsidiary of the publicly listed company, Arnhold Holdings Ltd.

Accordingly, San Hing Mechanical has issued legal proceedings in the High Court of the HKSAR, setting out its allegations in very lucid language.

The Statement of Claim, attached to Writ of Summons, Number 3891, states that Arnhold and Company Ltd '*is a sub-contractor of Topcycle Construction Company Limited which is the main contractor in respect of the air conditioning works in Hung Hom Bay KIL 11084 "the Hung Hom Project".*' (Paragraph 1.c. of the Statement of Claim)

It is alleged, at Paragraph 2 of the Statement of Claim, that there was a purported contract in writing, dated May 3, 1999, made between San Hing Mechanical and Arnhold and Company, whereby San Hing Mechanical '*had been appointed by the Defendant (Arnhold and Company) agreed to be the Air-conditioning Sub-Contractor for the above Hung Hom Project and the Plaintiff (San Hing Mechanical) had further agreed to undertake the works for the Defendant in the above project at the price therein mentioned.*'

The Statement of Claim, then, recites the terms and conditions of this purported contract of May 3, 1999.

Then, starting at Paragraph 5 of the Statement of Claim, the nub of the complaint of San Hing Mechanical starts to be made very clear:

'5. The Plaintiff and the Defendant also agreed that retention money shall be 5% of the value of the total works completed.

'6. Pursuant to the above contract, the one year defect liability period commenced from the date of completion of works on or about the 8th June 2001 and expired on the 9th June 2002.

'7. As of the date of 9th June 2002, the Defendant had completed works to the total amount of \$(HK)13,633,011.00, leaving behind the retention money in the total amount of \$(HK)681,650.55 remains unpaid.

'8. By an invoice no. 0459 dated the 2nd October 2002, the Plaintiff demand the payment of the retention of money in the total amount of \$(HK)681,650.55 from the Defendant, but to no avail, the Defendant continues to refuse to pay the said amount or any part thereof.

'9. By a further letter dated the 13th August 2003 and sent by the Plaintiff to the Defendant, further demanding the payment of \$(HK)681,650.55, the Defendant simply made no reply.

'10. By a further letter dated 23rd September 2003, and sent by the Plaintiff's solicitors ... demanding payment of the said sum of \$(HK)681,650.55.

'11. In reply to that letter ... the Defendant then requested for a discussion on the 26th September 2003, at which the Defendant further requested for the postponement of 10 days as to solve the outstanding amount of \$(HK)681,650.55.

'12. However, up to the date hereof, the Defendant had neither made any further payment nor replied to the request to settle the above outstanding amount.'

San Hing Mechanical, today, wants its money and interest on that money, costs, and other relief.

**The above is a verbatim transcript as it appears in the Statement of Claim.
TARGET has not made any changes or corrections.**

This is not the ... [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.

