

**NEW WORLD DEVELOPMENT COMPANY LTD:
WHAT'S THE STORY, HERE,
MANAGING DIRECTOR HENRY CHENG KAR SHUN ?**

Something appears to be seriously wrong at the offices of Millennium Engineering Ltd, the 49-percent-owned '*subsidiary*' of publicly listed New World Development Company Ltd (Code: 17, Main Board, The Stock Exchange of Hongkong Ltd), as the claims against the company are piling up at a near record level.

According to the 2003 Annual Report of New World Development, Millennium Engineering is described as being a '*subsidiary*' although it is generally accepted, and it is so stated by The Hongkong Society of Accountants, that a company, whose issued share capital is owned as to less than 50 percent, is deemed to be an '*associated company*' not a '*subsidiary*'.

Last Wednesday and Thursday, Millennium Engineering was sued twice in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) by 2 different Plaintiffs.

In High Court Action Number 1126, Kam Hung Alum Engineering Company Ltd sued Millennium Engineering for \$HK2,735,312.74 in respect of Work Done and Services Rendered '*during the period from August 2001 to December 2003 and as evidenced by the Plaintiff's invoices or divers dates rendered to the Defendant.*' (Paragraph One of the Statement of Claim, attached to the Writ of Summons)

In High Court Action Number 1184, Newson Engineering Ltd sued Millennium Engineering for \$HK1,903,842.18 in respect of '*the outstanding fee as services rendered and construction material supplied to the Defendant ...*'. (Paragraph 2 of the Statement of Claim, attached to the Writ of Summons)

In the last-mentioned case, it is alleged that the outstanding sums of money have been owed since May 3, 2000.

The business of Millennium Engineering is said to be in the supply and installation of aluminium windows and curtain walls.

In the Annual Report of New World Development Company Ltd for the Financial Year, ended June 30, 2003, there is no mention of the recent business activities of Millennium Engineering, but there is mentioned, at Page 156, that the company's Issued and Fully Paid-Up Share Capital is \$HK18.75 million.

New World Development reported a Loss Attributable to Shareholders of about \$HK4.81 billion for the 2003-Year.

For the 6-month period, ended December 31, 2003, New World Development reported a Net Profit Attributable to Shareholders of about \$HK236.40 million.

Since May 27, 2003 until May 13, 2004, Millennium Engineering attracted claims in the High Court and the District Court of an aggregate amount of \$HK13,733,997.84 in 11 separate Actions, according to **TOLFIN** (The

Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

If one adds in the 3 Claims, lodged in the Small Claims Tribunal, the total rises to about \$HK13.88 million.
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