

**WONDERFUL WORLD HOLDINGS LTD:
THE WONDER OF IT, ALL !**

A purported guarantee, allegedly given by Wonderful World Holdings Ltd, nearly 7 years ago, has come back to haunt the relatively new management of this publicly listed company.

The present Management of Wonderful World assumed control of the company in November 2003.

Wonderful World (Code: 109, Main Board, The Stock Exchange of Hongkong Ltd) has, recently, been on the receiving end of High Court Action Number 2372, brought by Bolden International Ltd.

The Indorsement of Claim, attached to the Writ of Summons, states, only:

'The Plaintiff's claim is for the Defendant's breach of its obligations under an irrevocable guarantee executed in February 1998 in relation to an agreement entered into between the Plaintiff (Bolden International Ltd) and a company, Fast Bone Industries Limited, and the Plaintiff claims HK\$5,995,700 being the sum due and owing to the Plaintiff pursuant to the said guarantee together with interests and costs.'

The purported irrevocable guarantee, referred to in the Indorsement of Claim, was mentioned in the 2004 Interim Report of Wonderful World, at Page 12, as follows:

'CONTINGENT LIABILITIES

'On 10th November, 2000, the Company was named as a defendant in a legal action in which a claim was made against the Company for failure to pay, as the guarantor, an amount of approximately HK\$5,996,000 and interest thereon. The Directors, after seeking legal advice, are of the opinion that the eventual resolution of the legal action is unlikely to result in payment by the Group and no provision for any potential liability is required in the financial statements.

'In addition, the Group gave in previous year a corporate guarantee to an independent third party amounted to approximately HK\$2,500,000 to secure a loan facility to Digital Nunet Exchange Limited, a former subsidiary.'

With regard to Digital Nunet Exchange Ltd, it was named as the Debtor in Winding-Up Petition Number 884 of 2004, the Petitioning Creditor, being a Mr Wong Chak Yin, according to the records of **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

Digital World Holdings Ltd, the former name of Wonderful World, was sued by Bolden International Ltd on November 10, 2000, for \$HK5,995,7000 in High Court Action Number 9930 of 2000.

The Statement of Claim, attached to that Writ of Summons, sets out the case for the Plaintiff.

It states that Bolden International Ltd came into a purported agreement with Fast Bone Industries Ltd 'in consideration for a fee of HK\$624,000 to be paid by Fast Bone to it, the Plaintiff agreed, inter alia, to act as

Fast Bone's agent to purchase various kinds of electrical appliances for and on its behalf from anyone as instructed by using letters of credits to the extent of HK\$7,800,000.00 and cause the said electrical appliances to be delivered to it or its agent ('the said Agreement'). ' (Paragraph 3 of the Statement of Claim)
Digital World was alleged to have ... [CLICK TO ORDER FULL ARTICLE](#)

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