

**CHEUNG KONG (HOLDINGS) LTD:  
ANOTHER WRIT IS ISSUED AGAINST A WHOLLY OWNED SUBSIDIARY**

For the 12<sup>th</sup> time in the past 5 months, a wholly owned subsidiary of Cheung Kong (Holdings) Ltd (Code: 1, Main Board, The Stock Exchange of Hongkong Ltd) has been sued in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The company, at the receiving end of District Court Action Number 857, is [Match Power Investment Ltd](#).

This company has been accused by 2 HKSAR residents of breaching the terms and conditions of a Sales and Purchase Agreement in respect of a Kowloon property that it was developing, going back to 2003.

The 2 Plaintiffs in this Action, Mr Wan Hak Kim and Ms Yvonne Lee Wai Ling, are seeking \$HK210,860.65 from this Cheung Kong subsidiary.

One would have thought that, for a Cheung Kong company, such an amount of money as \$HK210,860.65 is a piddling sum, but in view of the fact that District Court Action Number 857 is the 12<sup>th</sup> such claim against Match Power, perhaps there is more to this matter than just the matter of money.

The Statement of Claim, attached to District Court Action Number 857, follows along similar lines as that of Kingview Properties Ltd in its District Court Action.

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The 2 Plaintiffs in the latest District Court Action allege that they jointly purchased from Match Power on July 25, 2003, the following property:

Flat B  
2<sup>nd</sup> Floor,  
Tower 2,  
One Beacon Hill,  
Kowloon.

The purchase price of this flat was \$HK7.35 million and this amount of money was paid in full on July 25, 2003, it is alleged at Paragraph 10 of the Statement of Claim.

Some of the terms and conditions of the Sales and Purchase agreement included penalties should Match Power fail to deliver the property on time.

One of these conditions included that, should Match Power fail *'to complete the Development by the Development Completion Date as extended by any extensions of time granted by the Authorised Person, the Plaintiffs should be at liberty to rescind the Sale and Purchase Agreement.'* (Paragraph 7.(b))

Paragraph 7.(c) goes on to explain:

*'... if the Plaintiffs do not rescind the Sale and Purchase Agreement ... within 28 days, the Defendant shall be deemed to have elected to wait for completion of the Development and in such*

*event, the Defendant shall pay to the Plaintiffs interest calculated at the ratio of 2% per annum above the prime rate specified by the Hongkong and Shanghai Banking Corporation Limited ("HSBC") from time to time on all amounts paid under the Sale and Purchase Agreement from the date following the Development Completion Date or such date as extended by the Authorised Person to the date of completion of the Development.'*

Paragraph 11 of the Statement of Claim alleges that the Authorised Person extended the Development Completion Date for 60 days, until February 29, 2004.

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