

**NEW WORLD DEVELOPMENT COMPANY LTD:
O.K., NOW WHAT IS THE STORY HERE, HENRY CHENG ?**

Depending on one's point of view, it might be fair to state that, for a publicly listed company to be the recipient of 64 claims, lodged in various Courts of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) over a period of about 18 months, something is very wrong with (a) management of the company, (b) the cash-flow of the company on the receiving end of the claims, and/or, (c) somebody is being bloody-minded with certain creditors.

In respect of New World Development Company Ltd (Code: 17, Main Board, The Stock Exchange of Hongkong Ltd), the 64 claims, lodged against various companies within this very large conglomerate, it is highly unlikely that there is a cash-flow problem because, for the 6 months, ended December 31, 2004, on a Turnover of about \$HK11.52 billion, it turned in a Bottom Line of about \$HK1.13 billion.

That leaves only 2 other possibilities to explain the numerous claims, lodged against this company's group: 1. Management stinks, either of the holding company or that of the subsidiary/associate/affiliate; and/or 2. Somebody does not like somebody.

Of the 64 claims, lodged against the New World Development companies, 23 of those claims were lodged against one particular company: Kentfull Engineering Company Ltd.

Millennium Engineering Ltd, another New World Development company, was the recipient of 13 claims, meaning that about 56 percent of all claims, lodged against New World Development companies, from January 2004 through to June 2005, were centred on just 2 companies.

Kentfull Engineering is owned as to 23 percent by New World Development and Millennium Engineering is owned as to 49 percent, according to the database of **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

The latest case against Kentfull Engineering was filed in the High Court of the HKSAR on June 9, 2005, when Global Factor Ltd sued this associate of New World Development for about \$HK1.35 million.

Global Factor alleged, in its Statement of Claim, attached to High Court Action Number 1085, that it has been owed part of its money from as far back as January 2004.

It is alleged, at Paragraph 3 of the Statement of Claim, that Kentfull Engineering came into an agreement with Global Factor in November 2003 in respect of consultancy services to be afforded by Global Factor to Kentfull Engineering with regard to *'the Design and Construction of Minor Works ... of which the Defendant (Kentfull Engineering) at all material times was and still is a sub-contractor.'*

Paragraph 4 of the Statement of Claim purports to explain some of the details of the original 2003 agreement, that original agreement, having been subject to a number of variations over time.

Paragraph 9 alleges, in essence, that Global Factor is having more than a little difficulty in obtaining its money from Kentfull Engineering:

'Despite repeated demands, the Defendant has failed and/or refused to settle in full or at all the following invoices rendered by the Plaintiff (Global Factor) to the Defendant (Kentfull Engineering) and a total sum of HK\$1,345,000.00 is due and owing to the Plaintiff by the Defendant:

<i>Invoice Number</i>	<i>Date of Invoice</i>	<i>Amount Invoiced (\$HK)</i>	<i>Amount Outstanding (\$HK)</i>
2	31.01.04	80,000.00	10,000.00
7	02.07.04	135,000.00	25,000.00
8	02.08.04	157,500.00	47,500.00
9	31.08.04	172,500.00	62,500.00
10	30.09.04	150,000.00	150,000.00
11	30.10.04	150,000.00	150,000.00
12	30.11.04	150,000.00	150,000.00
13	31.12.04	150,000.00	150,000.00
14	31.01.05	150,000.00	150,000.00
15	04.03.05	150,000.00	150,000.00
16	31.02.05 (Sic!)	150,000.00	150,000.00
17	30.04.05	125,000.00	125,000.00
18	06.05.05	25,000.00	25,000.00
<u>TOTAL</u>			1,345,000.00

The following is a TOLFIN printout of the other 63 claims ... [CLICK TO ORDER FULL ARTICLE](#)

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