

**WAI KEE HOLDINGS LTD:
PROPERTY MANAGEMENT COMPANY SUES
FOR MORE THAN \$HK10 MILLION**

Vigers Property Management Services (Hongkong) Ltd has launched a \$HK10.36-million claim against a wholly owned subsidiary of Wai Kee Holdings Ltd () (Code: 610, Main Board, The Stock Exchange of Hongkong Ltd).

Vigers Property Management has named First Star Development Ltd as the lone Defendant in Action Number 1661, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The Statement of Claim, attached to Writ of Summons, Number 1661, alleges that Ngo Kee Construction Company Ltd (), another wholly owned subsidiary of Wai Kee Holdings, which specialises in building construction works, invited Vigers Property Management, back in May 1999, *'to participate in a tender for the Land (Kowloon Inland Lot Number 11076, Hung Hom Bay Reclamation Area, Kowloon) to be submitted by it or any other subsidiaries of Wai Kee Holdings Limited, including the Defendant (First Star Development Ltd). In response to the invitation, the Plaintiff, on or about 17 June 1999, submitted a management proposal to Ngo Kee for use in the tender.'*

This was a housing project for the creation of between 2,450 residential units and 2,600 residential units, together with ancillary facilities, including retail shops, a kindergarten and carparks, together, known as the Estate.

A Memorandum of Agreement was purportedly engrossed on June 25, 1999, between Vigers Property Management and First Star Development whereby it was, allegedly, spelled out that Vigers Property Management was appointed *'as manager under the Deed of Mutual Covenant and Management Agreement of the Estate'*.

First Star Development completed the Estate and, on or about August 6, 2002, the Occupation Permit was issued.

Picking up The Statement from Paragraph 16:

'16. On or about 18 November 2002, the Director of Housing approved the Management Scheme pursuant to Special Condition 32(e) of the Special Conditions of Sale No. 12547. The Management Scheme provided for the Plaintiff to receive manager's remuneration on a monthly basis, the monthly figure to be calculated based on 7% of the monthly management budget each year. For the first financial year, the monthly remuneration was calculated at HK\$86,803 per month.'

'17. On or about 20 November 2002 and 27 November 2002, the Director of Lands issued his Consent in relation to the residential and non-residential units in the Estate respectively pursuant to Special Condition 27(b)(i) of the Special Conditions of Sale No. 12547.'

'18. On or about 20 November 2002, the Director of Lands approved the terms of the Deed of Mutual covenant and the Management Agreement in respect of the Estate.'

'19. The draft Management Agreement provided that the Plaintiff was to be employed as

manager of the Estate for an initial period of 10 years from the date of execution of the Management Agreement.

- ‘20. By letters dated 29 March 2004 and 18 March 2005, the Defendant suggested that the MoA had ceased to have effect and further made clear to the Plaintiff that they were no longer obliged to appoint the Plaintiff as manager of the Estate. By each of the said letters, the Defendant has in effect repudiated the MoA, such repudiation of the MoA was accepted by the Plaintiff through its solicitors by letter of 26 July 2005.*
- ‘21. Through no act or omission on the Plaintiff’s part, the Management Agreement has not been executed by the time the Defendant sent its letter dated 29 March 2004 and 18 March 2005 to the Plaintiff. By reason of the Defendant’s repudiation pleaded hereinabove, the Plaintiff has suffered loss and damage.*

PARTICULARS

Loss of manager’s remuneration in the sum of \$86,303 per month for 10 years.

$$\$86,303 \times 12 \times 10 = \$10,356,360$$

Alternatively damages to be assessed

- ‘22. The Plaintiff is entitled to and claims interest pursuant to s. 48 of the High Court Ordinance on such sums, at such rate and for such period as this Honourable Court thinks just.*

‘AND the Plaintiff claims:

- ‘(1) Damages in the sum of \$10,356,360;*
- ‘(2) Alternatively, damages to be assessed;*
- ‘(3) Interest pursuant to s. 48 of the High Court Ordinance on such sums, at such rate and for such period as this Honourable Court thinks just;*
- ‘(4) Costs of this Action.’*

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