

**PALADIN LTD SUES FORMER CONTRACTOR FOR \$HK9.68 MILLION**

A wholly owned subsidiary of Paladin Ltd () (Code: 495, Main Board, The Stock Exchange of Hongkong Ltd) has issued Legal Proceedings in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), seeking about \$HK9.68 million from a former contractor with regard to a luxury residential development on The Peak.

Holyrood Ltd, the Paladin subsidiary, has issued High Court Action Number 2132, naming Jet Sure Engineering Ltd () as the lone Defendant to the Action.

It is alleged in the Statement of Claim, attached to Writ of Summons, Number 2132, that Holyrood was engaged in a residential development at Numbers 10-12, Peak Road, Hongkong, and that Jet Sure Engineering was retained by Holyrood in or about December 2002.

The purported terms of the contract between Holyrood and Jet Sure Engineering included that Jet Sure Engineering would be responsible for the design, supply and installation of the building services works on the Peak Road Development and that the Development was to be completed on or before July 12, 2003, according to Paragraph 4 of the Statement of Claim.

It is alleged that the Defendant *'failed to complete the Works on or before Completion Date.'*

As such, it is alleged that Holyrood *'was entitled to claim Liquidated Damages from 13 July 2003 until actual completion of the Works.'*

The Statement of Claim alleges that defects were discovered in the works and so Holyrood held up a payment in the amount of \$HK1,675,140 *'Owing to the slow progress and the Defendant's defective works.'*

Paragraphs 12 and 13 of the Statement of Claim continue:

*'12. On 15 February 2005, the Defendant (Jet Sure Engineering) wrongfully repudiated the Contract on the alleged ground of non-payment of the said sum of HK\$1,675,140.00 by the Plaintiff (Holyrood).*

*'13. The Plaintiff had no alternative but to accept the Defendant's repudiation without prejudice to its rights and remedies under the Contract and the laws. In consequence thereof, the Plaintiff suffered loss and damages.*

*Particulars of loss and damage*

- (a) The Plaintiff had incurred additional costs and expenses in rectifying the Defendant's defective works before it could apply for Occupation Permit of the Development. The quantum of additional costs and expenses is HK\$2,933,473.86;*
- (b) By a draft Final Account prepared by Levett and Bailey, the Quantity Surveyor of the Development, it was shown that the Plaintiff had overpaid HK\$344,779.21 to the Defendant which could be recovered from the Defendant as a debt; and*
- (c) Owing to the delay of the Defendant's works and to the wrongful repudiation of the Contract by the Defendant, the Occupant (sic) Permit of the Development was issued on*

*24 March 2005. According to the terms of the Contract, the Plaintiff is entitled to claim liquidated damages at the rate of HK\$10,000 per day for 640 days which amount is HK\$6,400,000.00.'*

Holyrood is claiming from Jet Sure Engineering, in total, \$HK9,678,253.07 plus interest, costs, and further and/or other relief.

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