

**PALADIN LTD:
ENGINEERING COMPANY SUES FOR MONEY DUE AND OWING**

[Paladin Ltd \(\)](#) (Code: 495, Main Board, The Stock Exchange of Hongkong Ltd) is back in the news, once again, as a (former?) supplier issues Legal Proceedings in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) against one of the publicly listed company's wholly owned subsidiaries.

Vic-Form Company Ltd is the Plaintiff in Action Number 346, lodged in the District Court of the HKSAR. It is claiming \$HK251,500 from Holyrood Ltd, the Paladin subsidiary.

According to the Statement of Claim, attached to Writ of Summons, Number 346, Vic-Form Company Ltd is a company, engaged in mechanical engineering and is specialised in passive fire protection.

It is alleged, at Paragraph 3 of the Statement of Claim, that there exists 2 purported written agreements, *'entered into between the Plaintiff (Vic-Form Company Ltd) as supplier and the Defendant (Holyrood Ltd) as buyer, which contained in the Plaintiff's two (2) Invoice Nos. VF/HK/7312A and VF/HK/7312B both dated 8th March 2005 ("the Invoices")...'*.

This paragraph goes on to allege that it was settled that Vic-Form Company Ltd *'agreed to carry out the supply and installation of Type C glass moulding, fire protection system, rental and installation of gondola platform, inclusive of labourer for the proposed residential development at 8, 10 & 12 Peak Road, Hong Kong for the Defendant ("the Agreement").'*

The Statement of Claim goes on to attest that Vic-Form Company Ltd *'duly supplied the good and services'* and *'duly rendered the Invoices to the Defendant for Payment.'*

But the Plaintiff alleges that it has never received the money, due and owing in respect of the 2 invoices, both of which were dated March 8, 2005.

It is alleged, at Paragraph 6 of the Statement of Claim, that Vic-Form Company Ltd caused its HKSAR solicitors' firm to write to Holyrood Ltd on February 14, 2006, demanding payment of the sum of \$HK251,500.

No money has ever been forthcoming, according to the allegations of Vic-Form Company Ltd.

This is the second Writ of Summons served on Holyrood Ltd this year.

The other case was filed on January 17, 2007, when Hip Hing Construction Company Ltd () (a subsidiary of New World Development Company Ltd [], Stock Code: 17, Main Board, The Stock Exchange of Hongkong Ltd) sued Holyrood Ltd in the HKSAR High Court, seeking an Order.

The Auditing firm of Deloitte Touche Tohmatsu () made mention of Hip Hing Construction Company Ltd in its assessment of the 2006 Financial Year of Paladin Ltd as follows:

'Fundamental uncertainty relating to litigation

'In forming our opinion, we have considered the adequacy of the disclosures made in the note 33(i) to the consolidated financial statements concerning the possible outcome of arbitration proceedings involving Holyrood Limited, a wholly-owned subsidiary of the Company, in connection with a claim by Hip Hing Construction Limited against Holyrood

Limited for approximately HK\$59 million in relation to a dispute on construction work performed by Hip Hing Construction Limited in relation to the redevelopment project at the Peak Road. Although provision has been made for approximately HK\$16 million in relation to construction cost, Holyrood Limited is now preparing a claim against Hip Hing Construction Limited for defective works, rectification costs and damages for an amount to be determined. We consider that the fundamental uncertainty has been adequately accounted for and disclosed in the consolidated financial statements and our opinion is not qualified in this respect.'

It is ... [CLICK TO ORDER FULL ARTICLE](#)

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