

**SURGE RECREATION HOLDINGS LTD :
ANOTHER DAY, ANOTHER CLAIM**

Prima facie, it would appear that the company that performed the commercial printing services for publicly listed [Surge Recreation Holdings Ltd](#) (Code: 703, Main Board, The Stock Exchange of Hongkong Ltd), when it went public in July last year, is not very happy with Mr Li Tat Ting's theme-park company.

Because Elegance Finance Printing Services Ltd has just sued Surge Recreation for a little more than \$HK1.50 million.

Elegance Finance Printing has issued Action Number 656 in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), alleging that, despite coming into a compromise agreement over the amount of money, owed to it by Surge Recreation, it, still, has not received that which it claims is due to it.

The Statement of Claim, attached to the Writ of Summons, at Paragraph 3 alleges:

'At the Defendant' request, the Plaintiff (Elegance Finance Printing) duly provided printing and related services to the Defendant (Surge Recreation) during the period from March, 2001 to September, 2002 at the price agreed as evidenced by three invoices ("the said Invoices") duly issued by the Plaintiff to the Defendant, the particulars of which are as follows:-

Particulars

<i>Invoice No.</i>	<i>Invoice Date</i>	<i>Price (HK\$)</i>	<i>Due Date</i>
<i>I-FP-0207-00121</i>	<i>31/7/2002</i>	<i>2,089,464.00</i>	<i>29/8/2002</i>
<i>I-FP-0209-00125</i>	<i>30/9/2002</i>	<i>13,750.00</i>	<i>29/10/2002</i>
<i>I-FP-0209-00126</i>	<i>30/9/2002</i>	<u><i>51,650.00</i></u>	<i>29/10/2002</i>
		<i>2,154,864.00'</i>	

With regard to the first Invoice, Number 00121, Elegance Finance Printing alleges that Surge Recreation was short by \$HK52,417.39 in settling the account.

Paragraph 6 of the Statement of Claim, then, continues:

'By a Settlement Agreement dated 11th October 2002 ("the Settlement Agreement") signed by the Plaintiff and the Defendant, the Plaintiff agreed to accept a sum of HK\$1,680,517.60 ("the Agreed Sum") in full and final settlement of the Plaintiff's claim for the Unpaid Balance on terms and conditions contained therein which include, inter alia, the following:-

'Clause 2.2

'The Defendant shall repay the Agreed Sum to the Plaintiff by installments in the following manner (in respect of which time is of the essence) :

Payment Date	<i>Amount of Installment (HK\$)</i>
<i>11 October 2002</i>	<i>280,517.60</i>
<i>1 November 2002</i>	<i>280,000.00</i>
<i>1 December 2002</i>	<i>280,000.00</i>
<i>1 January 2003</i>	<i>280,000.00</i>
<i>1 February 2003</i>	<i>280,000.00</i>
<i>1 March 2003</i>	<i>280,000.00</i>
	<i>1,680,517.60</i>

'Clause 2.4

'Subject to Clause 3 of the Settlement Agreement and due and prompt compliance of all the provisions of the Settlement Agreement by the Defendant, the Plaintiff will waive the Defendant's payments of the difference between the Unpaid Balance and the Agreed Sum ("the Difference") and the Interest (as defined in the Settlement Agreement) ... '.

Paragraph 8 alleges:

'In breach of the Settlement Agreement, the Defendant paid only a total sum of HK\$600,000.00 on divers dates set out below but failed to repay the Agreed Sum in full in accordance with the terms of the Settlement Agreement.'

This Paragraph alleges that no payment has been made since January 7, 2003.

Elegance Finance Printing claims that despite repeated demands, Surge Recreation *'has failed and still fails to repay the Indebtedness. As at 20th February, 2003, the Indebtedness which the Defendant is liable to pay amounts to HK\$1,473,441.38.'*

As for the other invoices, Numbers 00125 and 00126, they, too, have not been settled, it is alleged. Totally, Elegance Finance Printing ... [CLICK TO ORDER FULL ARTICLE](#)

For An In-depth Report About Surge Recreation, Please See:

[TARGET Intelligence Report, Volume IV, Number 202, Dated October 25, 2002](#)

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