

**INFOSERVE TECHNOLOGY CORPORATION:
TARGET WARNED; NOW, WHO GOT HARMED AND WHO GOT OUT ?**

While the world waits for the big announcement from [Infoserve Technology Corporation](#) (Code: 8077, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) with regard to some '*major transaction*', the company has been hit with a bill for about \$HK3.56 million.

The claim, made by China Unicom International Ltd, a company, which is incorporated in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is contained in HKSAR High Court Action Number 3083.

The Defendants to this Action are:

Infoserve Technology Hongkong Ltd	First Defendant
Infoserve Technology Corporation	Second Defendant
Mr Tsai Jenp-Luh, alias Phil Tsai and also known as Tsai Jenp-Luh, Phil and Phil J.L. Tsai	Third Defendant

The First Defendant is a wholly owned subsidiary of the Second Defendant, while the Third Defendant is the Founder of this Group of Companies, who held about 18.56 percent of the Issued and Fully Paid-Up Share Capital of the publicly listed company at the time that it went public on The GEM, on December 28, 2001.

On August 13, 2003, last Wednesday week, Infoserve Technology Corporation announced that it had decided to suspend trading in its shares because it was preparing to make '*an announcement in relation to a major transaction of the Company.*'

High Court Action Number 3083, in broad-bush strokes, makes the claim that Infoserve Technology Hongkong Ltd came into various contracts with China Unicom International Ltd, whereby the Plaintiff would perform for the First Defendant, certain services, namely, IP Transit Services, Telecommunication Traffic Services, Internet Access Services and Frame Relay Services. (Paragraph 2 of the Statement of Claim, attached to the Writ of Summons)

The earliest of these various agreements was made on December 12, 2000 (the Telecommunication Traffic Agreement) while the latest one was on November 22, 2002 (the Frame Relay Service Agreement).

The Second and Third Defendants, according to Paragraph 12 of the Statement of Claim, are said to be Guarantors of the First Defendant.

Paragraph 11 of the Statement of Claim lays it on the line, exactly, according to the way that the Plaintiff sees this matter:

'As at 22nd May 2003, the outstanding charges for the Services due by the 1st Defendant to the Plaintiff accumulated to HK\$2,979,378.31. On or about 5th June 2003, the 1st and 2nd and 3rd Defendants requested the Plaintiff to allow further time for the 1st Defendant to settle the

outstanding account, and to withhold (i) immediate legal action against the 1st Defendant and (ii) immediate suspension of the Services provided. The Defendant proposed that the total outstanding charges accrued up to 22nd May 2003 settled by the 1st Defendant to the Plaintiff by four (4) installments as follows:-

<u>Installment No.</u>	<u>Amount (HK\$)</u>	<u>Due Date For Payment</u>
<i>1.</i>	<i>589,587.34</i>	<i>18 June 2003</i>
<i>2.</i>	<i>673,714.43</i>	<i>31 July 2003</i>
<i>3.</i>	<i>672,988.46</i>	<i>31 August 2003</i>
<i>4.</i>	<i>1,043,108.08</i>	<i>30 September 2003</i>

'The Defendants further agreed that in case if the 1st Defendant defaulted in any single installment, all the remaining installments would become immediately due and payable.'
(This is a verbatim copy, with no alterations – **TARGET**)

Paragraph 14 alleges that, in fact, the First Defendant settled the First Installment in the amount of \$HK589,587.34, as promised, but *'no further payment has been made by the 1st Defendant to the Plaintiff.'*

Then, at Paragraphs 15 and 16 of the Statement of Claim:

'15. By a letter dated 15th August 2003 sent by the Plaintiff's solicitors to the 1st Defendant, 2nd Defendant and 3rd Defendant respectively, the Plaintiff demanded the Defendants to pay to the Plaintiff before noon, 18th August 2003 the sum of HK\$3,555,593.12 being the total sum outstanding as of 15th August 2003.

'16. Despite the Plaintiff's demand pleased (sic) in paragraph 15 above, the Defendants have failed and still fails to pay the demanded sums or any part thereof to the Plaintiff.'

China Unicom International is ... [CLICK TO ORDER FULL ARTICLE](#)

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