SMI CORPORATION LTD: CLICKERTY, CLICKERTY, CLICK ... CRASH !

Another claim has been lodged against the little corporate empire of Mr Qin Hui, the legal shareholder of about 50.24 percent of the Issued and Fully Paid-Up Share Capital of publicly listed <u>SMI Corporation Ltd</u> (Code: 198, Main Board, The Stock Exchange of Hongkong Ltd).

This time, the claim has come from Click Music Ltd, a company, domiciled in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), engaged in the composition and production of music, among other things.

Click Music is the Plaintiff in District Court Action Number 2543, in which Star East Music Ltd is the lone Defendant.

Star East Music Ltd is a wholly owned subsidiary of SMI Corporation, according to the database of **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

According to the Statement of Claim, attached to District Court Writ Number 2543, Click Music was commissioned in about September 2003 'to compose, produce and record a song of "愛壞人" into Mandarin version of "真要命" for and on behalf of EO2 at the production costs of HK\$18,000.00 ("Agreement I").

In accordance with Agreement I, the commission was completed and the composition was 'delivered to and accepted by the Defendant (Star East Music Ltd) on the 28th day of November 2003 and the 29th day of November 2003 respectively.'

In respect of Agreement I, the commission was contracted verbally after negotiations between Mr Sunny Wong, of Star East Music, and Ms Anders Lee and Mr Chan Kwong Wing, both of Click Music Ltd, it is alleged.

The purported agreed cost with regard to this commission was said to have been \$HK18,000, according to Paragraph 3.

Then, it is alleged at Paragraph 5, that another commission was negotiated and accepted by Click Music, whereby it agreed 'to compose, produce and record a song of "A Better Day" for and on behalf of EO2 at the production cost of HK\$55,000.00 ("Agreement II").'

This commission was completed and 'delivered to and accepted by the Defendant on the 22^{nd} day of December 2003 and the 23^{rd} day of December 2003 respectively.'

There was, also, a purported third Agreement, whereby it is alleged at Paragraph 7 that Click Music agreed to a commission 'for CD mastering job for and on behalf of EO2 at the production cost of HK\$13,000.00 ("Agreement III").

A fourth Agreement followed, whereby Click Music agreed 'to compose a remix version of "A Better Day" for and on behalf of EO2 at the production cost of HK\$17,000.00 ("Agreement IV").'

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