A-MAX HOLDINGS LTD:
SUPPLIER SUES FOR NON-PAYMENT OF GOODS

As A-Max Holdings Ltd () (Code: 959, Main Board, The Stock Exchange of Hongkong Ltd) continues to brag about how things are improving at the company and, in the same breath, state that Management is considering closing down its electronic consumer products division, Shenzhen Foctec Technology Development Ltd is more than a little teed off at not being able to get paid that money which it claims it has been owed for the past 14 months.

To this end, Shenzhen Foctec Technology has issued Writ of Summons, Number 6249, in the District Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), claiming $HK763,578 from A-Max Kepo Display Ltd.

A-Max Kepo Display Ltd is a wholly owned subsidiary of A-Max Holdings Ltd and is said to be in the business of trading in **L**iquid **C**rystal **D**isplays (LCD).

According to the Statement of Claim, attached to Writ of Summons, Number 6249, Shenzhen Foctec Technology came into a purported agreement, back in June 2005, with A-Max Kepo Display for the supply of a certain type of LCD for which a profit of $HK4.00 per LCD over and above the cost of the LCD would be remitted to Shenzhen Foctec Technology by A-Max Kepo Display.

But something went wrong.

The Statement of Claim makes the following allegations:

> '3. By a Chinese Agreement dated 10th day of June 2005 ("the Agreement') made between the Plaintiff as the trader of the one part and the Defendant as the supplier of the other part, the Defendant agreed to pay the Plaintiff's profit costs when the end user, namely, ("the End-User') requested the Defendant to provide LCM model No.KDG128AD2 ("the Goods") from time to time.

> '4. Clause 2 of the Agreement provides, inter alia, that the Plaintiff and the Defendant have fixed the price of the Goods at HK$12.00/PCS whereas the market price for the Goods is HK$9.00/PCS. The End-User agreed to pay HK$16/PCS for the Goods to the Defendant and the Defendant agreed to pay the Plaintiff for the difference of HK$4.00/PCS as its profit costs subject to the terms and conditions contained in the Agreement.

> '5. Clause 3 of the Agreement further provides, inter alia, that the Defendant promised to make payment in respect of the profit costs to the Plaintiff within two weeks when the End-User settled the payment to the Defendant.

> '6. Wrongfully and in breach of the Agreement and in particular, clauses 2 and 3 of the Agreement, the Defendant has failed and/or refused to pay the profits costs to the Plaintiff and there have now been accrued to a total sum of HK$763,578.00, particulars of which are set out as hereunder:-

Particulars		
Invoice No.	***Dated***	*Amount (HK$)*
FC-0111/05	*01/11/2005*	*$250,304.00*

FC-0211/05	20/11/2005	$89,000.00
FC-0112/05	22/12/2005	$189,000.00
FC-0101/06	22/01/2006	$86,000.00
FC-0102/06	22/02/2006	$96,048.00
FC-0109/06	28/09/2006	$53,226.00
		$763,578.00

'7. Despite repeated verbal demands made by the Plaintiff and a demand letter dated 9th December 2006 sent by the Plaintiff's Solicitors, Messrs. Chan & Tsu, Solicitors to the Defendant demanding for the said sum of HK$763,578.00, the Defendant has failed and/or refused and still fails and/or refuses to pay the Plaintiff the said sum or any part thereof.

'8. The Plaintiff is also entitled to claim for interest on the said sum of HK$763,578.00 at such rate and for such period as provided by Section 49 and 50 of the District Court Ordinance, Cap.336, Laws of Hong Kong …'.

The ... **CLICK TO ORDER FULL ARTICLE**