

**HONGKONG ECONOMIC TIMES HOLDINGS LTD:
IS THIS A MATTER OF HONOUR OR A MATTER OF MONEY ?**

A fight has broken out between a wholly owned subsidiary of Hongkong Economic Times Holdings Ltd () (Code: 423, Main Board, The Stock Exchange of Hongkong Ltd) and Hani Securities (Hongkong) Ltd [], formerly a subsidiary of SW Kingsway Capital Holdings Ltd () (Code: 188, Main Board, The Stock Exchange of Hongkong Ltd).

Last Monday-week, Hani Securities sued ET Trade Ltd (), a subsidiary of Hongkong Economic Times, and, the following day, that is last Tuesday-week, ET Trade Ltd sued Hani Securities (Hongkong) Ltd.

The fight is over the matter of the supply and maintenance of computer software programmes, regarding the dealing in securities, listed on The Stock Exchange of Hongkong Ltd.

It is the contention of Hani Securities that ET Trade has been its supplier of computer software programmes since about 1996.

In addition to licensing software programmes to Hani Securities, ET Trade, also, provided maintenance services to Hani Securities with regard to its software programmes.

Paragraph 5 of the Statement of Claim, attached to Writ of Summons, Number 2117, filed in the District Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), alleges that there was a purported agreement, made between ET Trade and Hani Securities, whereby ET Trade licensed its electronic trading system to Hani Securities for the period of one year, commencing January 1, 2007.

Paragraph 11 of the Statement of Claim alleges, however:

'In breach of the terms and conditions of the Agreement, the Defendant (ET Trade) refused to:

- (a) attend the Plaintiff's (Hani Securities') office to carry out the connectivity test as required by the Stock Exchange of Hong Kong on 5th May 2007; and*
- (b) attend the Plaintiff's office on 8th May 2007 to repair and maintain the electronic trading system licensed by the Defendant for the Plaintiff to use which got broken down within the "standard maintenance hours" as provided under the Agreement, despite repeated requests followed by demands from the Plaintiff'.*

Hani Securities alleges that it sought the assistance of an alternative supplier of computer software programmes in order to provide *'an alternative electronic trading system to replace the Defendant's system.'*

The alternative supplier charged a one-off fee of \$HK70,860 in installing an electronic system to replace that of ET Trade, it is alleged at Paragraph 13 (iii).

This Paragraph, then, goes on to allege that Hani Securities will be forced to suffer a loss for the period, May 9, 2007, until December 31, 2007, of about \$HK463,856.13 due to the wrongful repudiation of the written agreement by ET Trade.

Paragraph 14 states that ET Trade refuses to indemnify Hani Securities for its projected losses, which are, now, claimed as Damages.

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