

**FINET GROUP LTD:
HAS THIS COMPANY BEEN CAUGHT IN A CASH VICE ?**

It does not happen very often, but, when it does, it is something of a surprise – because, on paper, it appears that Finet Group Ltd () (Code: 8317, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd) should not be short of just \$HK700,000.

But that is that which is being alleged by Icon Business Systems Ltd, which has just sued Finet Holdings Ltd () which is a wholly owned subsidiary of Finet Group Ltd.

Finet Holdings Ltd, according to **TOLFIN ()** (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), is a company with an Issued and Fully Paid-Up Share Capital of \$HK68,990,025.00.

It was incorporated in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on October 21, 1998.

According to a recently filed, HKSAR District Court Writ of Summons, to which a Statement of Claim is attached, Finet Holdings Ltd *'has failed ... to settle the net agreed price being the amount due to the Plaintiff* (Icon Business Systems Ltd) ... '.

The following is the gist of HKSAR District Court Action, Number 3748:

- '1. The Plaintiff was at all material times and is a private limited company duly incorporated under the laws of Hong Kong and carrying on, inter alia, the business of research, developing and trading information technology products and support services.*
- '2. By an oral contract made between Raymond Chan as sales manager for and on behalf of the Plaintiff and Jonathan Tam for and on behalf of the Defendant in about June 2006 (hereinafter referred to as "the Contract"), the Plaintiff agreed with the Defendant that the Plaintiff shall sell and deliver to the Defendant the following products and services at a net agreed price of HK\$700,000.00.*

<u>Item description:</u>	<u>Quantity:</u>	<u>Unit price:</u> <u>HK\$:</u>	<u>Amount</u> <u>HK\$:</u>
<i>(a) Radware products: AppDirector 1000 Global (Application Switch 2- 5xGb + 16FE 256MB)</i>	<i>2 sets</i>	<i>295,000.00</i>	<i>590,000.00</i>
<i>(b) Cisco GBIC Connector – Copper</i>	<i>4 sets</i>	<i>2,500.00</i>	<i>10,000.00</i>
<i>(c) <u>Support services:</u> Advanced Support Service Pack for AppDirector 1000</i>	<i>2 sets</i>	<i>175,000.00</i>	<i>350,000.00</i>

<i>For 3 years (24 hours per day for 7 days per week);</i>			
<i>(d) <u>Professional Service:</u> ICON professional service for Implementation and installation Service; pre-installation Meeting for project kick-off; Dedicated project manager; Project implementation plan Including schedule, design and Configuration; product Installation including Radware AppDirector 1000 Global and GBIC, feature testing and Configuration backup; Configuration manual; User Acceptance Testing; Half-day Administration and skill Transferring session;</i>	<i>1 Job</i>	<i>23,000.00</i>	<i>23,000.00</i>
		<i>Total:</i>	<i>973,000.00</i>
		<i>Discount allowed:</i>	<i>273,000.00</i>
		<i>Net Agreed Price:</i>	<i>700,000.00</i>

...

'4. The Plaintiff avers that the Defendant is required to pay it the net agreed price of HK\$700,000.00 and interest thereon in the following manner:

- (a) The due date for payment of the sum of HK\$690,000.00 is 24th September 2006 in accordance with the term and condition of the 1st Invoice; and*
- (b) The due date for payment of the sum of HK\$ 10,000.00 is 30th September 2006 in accordance with the term and condition of the 2nd Invoice.*
- (c) It is stated in both the 1st and 2nd Invoices that an interest at the rate of 3% per month will be charged on overdue amount.*

'5.The Plaintiff avers that it had sold and delivered all the products and rendered the services as required to the Defendant in accordance with the Contract and to its satisfaction. ...

'7. On the basis of the four (4) delivery orders signed by the Defendant's representatives as pleaded in para. 6 above, the Plaintiff avers that it is entitled to the net agreed price of HK\$ 700,000.00 immediately on 30th September 2006.

'8. In accordance with the Contract, the Defendant is therefore required to pay the net agreed price of HK\$ 700,000.00 to the Plaintiff by 30th September 2006.

'9. Wrongfully in breach of the Contract and despite repeated demands and requests (including a letter issued by the Plaintiff's former solicitors, Messrs. Tang, Wong & Cheung, to the Defendant dated 25th January 2007 demanding the Defendant to settle the net agreed price), the Defendant has failed and still fails to settle the net agreed price

being the amount due to the Plaintiff up to the date hereof ...'.

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