

**JACKIN INTERNATIONAL HOLDINGS LTD:
HERE WE GO ROUND THE MERRY-GO-ROUND,
THE MERRY-GO-ROUND, THE MERRY-GO-ROUND ...**

It appears that there is no end to the litigation between a subsidiary of Jackin International Holdings Ltd () (Code: 630, Main Board, The Stock Exchange of Hongkong Ltd) and the matter of alleged, unpaid professional fees.

The matter of alleged unpaid solicitors' and corporate advisory fees goes back at least more than 4 years, according to the records of **TARGET** ().

And the legal claims are still coming in.

The latest claim has come from HBFP Ltd (in Liquidation), formerly known as RSM Nelson Wheeler Corporate Advisory Services Ltd, which is claiming about \$HK1.21 million from Jackin Total Fulfilment Services Ltd (), a wholly owned subsidiary of Jackin International Holdings Ltd.

In the Writ of Summons, Number 1527, filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it is alleged that the Plaintiff was commissioned by Jackin Total Fulfilment Services Ltd, evidenced by a purported Engagement Letter, dated December 17, 2003, '*to calculate the consequential loss in relation to breach of contract in an arbitration proceeding brought by the Defendant against IBM Engineering Technology (Shanghai) Company Limited ("IBM") (). The Engagement Letter was sent by the Plaintiff to Messrs. Johnson Stokes & Master, Solicitors for the Defendant in the arbitration proceedings.*'

The Statement of Claim, attached to Writ of Summons, Number 1527, then, explains the terms of the purported Engagement Letter, which included, inter alia, the type of advice that the Defendant was seeking, the staffing requirements of the Plaintiff, as well as the Plaintiff's fees and billing details.

Then, from Paragraph 6 of the Statement of Claim, it is alleged:

- '6. *On 26 February 2004, the Plaintiff was formally engaged by JSM (Johnson Stokes and Master []) for and on behalf of the Defendant to verify and quantify its loss of profits against IBM, to assist with the preparation of an expert accountant's report for submission to the arbitration tribunal, and assist the expert accounting witness in respect of the quantum hearing.*
- '7. *In addition to the work specified in paragraph 6 above, the work carried out by the Plaintiff was also in accordance with those specific instructions supplemented, from time to time, by oral and/or written instructions from the Defendant and JSM.*
- '8. *Pursuant to the Engagement Letter, the Plaintiff has duly rendered the services required to the Defendant.*
- '9. *On divers dates the Plaintiff issued various invoices representing the services rendered for the period 1 December 2003 to 31 October 2004 to JSM with narratives*

of “Professional services rendered for Jackin Total Fulfilment Services Limited...” in each of the invoices. The invoices were settled in whole or in part by JSM for and on behalf of the Defendant, and the details of which are as follows:-

<u>Date</u>	<u>Invoice No.</u>	<u>Amount (HK\$)</u>	<u>Amount Paid (HK\$)</u>	<u>Outstanding Amount (HK\$)</u>
1. 31 Dec 03	D16755	28,030.00	28,030.00	Nil
2. 29 Feb 04	D16945	18,760.00	18,760.00	Nil
3. 31 Mar 04	D16995	731,133.00	731,133.00	Nil
4. 13 May 04	D17110	950,308.40	68,867.00	881,441.40
5. 31 Aug 04	D17423	7,395.00	0.00	7,395.00
6. 31 Oct 04	D17618	108,485.00	0.00	<u>108,485.00</u>
			Total:	<u>997,321.40</u>

‘10. Further, the following invoices representing the services rendered by the Plaintiff to the Defendant for the period 1 November 2004 to 31 January 2005 were issued by the Plaintiff to the Defendant, through its parent company, Jackin International Holdings Limited, on various dates with narratives of “Professional services rendered for Jackin Total Fulfilment Services Limited...” in each of the invoices:

<u>Date</u>	<u>Invoice No.</u>	<u>Amount (HK)</u>
1. 30 Nov 04	D17726	418,600.00
2. 31 Dec 04	D17763	240,885.00
3. 31 Jan 05	D17897	235,900.00
4. 31 Jan 05	D17876 (expenses)	<u>13,514.30</u>
		Total: <u>908,899.30</u>

‘11. Each of the invoices issued by the Plaintiff states, inter alia, that:-

“An (sic) invoices are due upon presentation. Please note that interest is payable at HSBC prime plus 2% on all amounts outstanding from three months of the date of this invoice...”

‘12. In 2006, the Defendant has successfully recovered, and received over HK\$154 million (comprising the arbitral and costs awards) from IBM in the arbitration proceedings.

‘13. Wrongfully and in breach of the Agreement, the Defendant has failed, refused and neglected to pay the total outstanding sum of HK\$1,906,220.70 being the unpaid balance of fees and disbursements under the Engagement Letter plus interest.

‘14. Following repeated demands and requests, the Defendant, through its solicitors, Messrs Wong & Chan, made a partial payment of HK\$1,217,968.03 to the Plaintiff on 5th November 2007 leaving the balance of HK\$1,197,295.35 (inclusive of HK\$509,042.68 as interest) unpaid.

‘15. In the premises, the Defendant, as of 25th January 2008, is still indebted to the Plaintiff in the sum of HK\$1,210,834.13 (inclusive of HK\$522,581.46 as interest). The breakdown of interest is attached as Schedule 1 herein.

‘16. The Plaintiff also claims against the Defendant interest on the total sum of HK\$688,252.67 at the contractual rate of the HSBC prime rate plus 2% per month calculated from the respective due dates for payment until the date of judgement and thereafter at the judgement rate until payment in full, or alternatively, interest on all sums found due at such rate and for such period as the Court shall deem just,

pursuant to sections 48 and 49 of the High Court Ordinance (Cap 4).

‘AND THE PLAINTIFF CLAIMS AGAINST THE DEFENDANT FOR:-

‘(a) The sum of HK\$1,210,834.13;

‘(b) Interest pursuant to paragraph 16 above;

‘(c) Costs of this action; and

‘(d) Further and/or other relief.’

The Merry-Go-Round Syndrome

For the Plaintiff ... [CLICK TO ORDER FULL ARTICLE](#)

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