

**HIP FUNG ELECTRONICS INDUSTRIAL COMPANY LTD:  
NO INITIAL PUBLIC OFFERING, BUT, NOW, A LARGE BILL LOOMS**

For people not in the know, they might be interested in learning just how very expensive it is to float a company on The Stock Exchange of Hongkong Ltd.

Aside from the very high costs, associated with engaging experts, such as accountants and solicitors, etc, even printing companies of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) get a goodly slice of an initial public offerings' pie.

For the company, desirous of pitching an Initial Public Offering, it is essential to locate a printing company with some expertise in financial printing – and such a printing company, just like HKSAR solicitors and accountants, do not come cheaply, these days.

Recently, GenNex Financial Media Ltd () sued Hip Fung Electronics Industrial Company Ltd () in the HKSAR High Court for best part of \$HK2 million in respect of an alleged overdue amount for services rendered.

The Statement of Claim, attached to Writ of Summons, Number 1955 of 2013, makes the following allegations:

Paragraph Three:

*'By a "Quotation for Printing and Production of the Prospectus" for an initial public offering project, namely "Project Yacht" ("the Listing Project"), which was duly signed by the Plaintiff (Gennex Financial Media Ltd) and the Defendant (Hip Fung Electronics Industrial Company Ltd) on 13th February 2012 ("the Agreement"), the Defendant agreed to engage the Plaintiff to provide financial printing and document management services ("the Service") for the Project under the terms and condition of the Agreement.'*

Paragraph Four:

*'Under Item 1 and Item 2 of the Agreement, the Plaintiff would provide services to the Defendant for printing and production of the prospectus and application forms for the Listing Project under the specifications and requirements as set out in those items.'*

The cost to the Defendant in respect of Item 1 and Item 2 was agreed at \$HK725,000, it is alleged at Paragraph 5 of the Statement of Claim.

All other items would invoke further charges, one is told at Paragraph 6.

Paragraph 8 of the Statement of Claim states:

*'Payment terms on page 8 of the Agreement provides, inter alia,:*

*"A non-refundable initial deposit of HK\$100,000.00 will be charge upon confirmation of this quotation, and then another 30% deposit of the package price will be charged upon*

*submission of Form A1 of the SEHK (these two deposits will be deducted from the final invoiced amount once the listing completed). The Invoice will be issued for settlement either after the day of listing or on 30 June, 2012, whichever is earlier. Full Payment should be settled within 14 days after the invoice date. Interest at a rate of 2.5% per month will be charged on overdue accounts.”*

Paragraphs 10 and 11 go on ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*