

TELECOM PLUS OR TELECOM MINUS ?

It is not very often that a company is sued for an alleged debt, going back more than 3 years.

But that is the claim in respect of allegations, made by Shenzhen Longtai Technology and Development Company Ltd against one of its former customers.

On the receiving end of Shenzhen Longtai's wrath is publicly listed Telecom Plus Holdings Ltd (Code: 1013, Main Board, The Stock Exchange of Hongkong Ltd).

Shenzhen Longtai is the Plaintiff in High Court Action Number 1695 of 2001.

It is suing Telecom Plus for about 1.34 million renminbi (about \$HK1.25 million) in respect of 100 purported invoices, allegedly issued to Telecom Plus, invoices which, it is claimed, remain unpaid.

The Statement of Claim, attached to the Writ of Summons, makes the allegations that Telecom Plus, when it was known on The Stock Exchange of Hongkong Ltd as Chun Tai Holdings Ltd, requested certain goods from Shenzhen Longtai.

These goods were said to have been delivered to Telecom Plus, but Shenzhen Longtai alleges that it has yet to be paid for any of them.

The first Delivery Note, Number 1809, is dated December 23, 1997, while the last Delivery Note, Number 99 (actually, there are 2 Delivery Notes, lumped together) is dated April 26, 1999.

Paragraph 4 of the Statement of Claim alleges that, despite repeated requests and demands, Telecom Plus has *'failed and/or refused to pay the said sum of RMB1,340,922.00 or any part thereof to the Plaintiff.'*

On December 28, 2000, Chun Tai had a change of name to the present, Telecom Plus.

One day prior to that date, Management requested a suspension in the trading of its shares, pending an announcement in respect of Share Placements which, subsequently raised \$HK18 million.

The Company issued 60 million shares to Able Technology Ltd, partly to retire debt and partly to refinance operations.

One day later, December 28, the Company announced a debt-equity swap with 3 former creditors.

At the end of the day, these former creditors ended up with 110.78 million shares, equal to about 14.79 percent of the Issued and Fully Paid-Up Share Capital of the Company.

Also, on December 28, 2000, it was announced that the Company's production facilities in the People's Republic of China (PRC) had been seized under Court Orders and that the Company had ceased all production.

For the Interim Period, ended March 31, 2000, Telecom Plus announced a Profit from Operations of about \$HK208 million, coming down to about \$HK200 million.

No other financial information has been released since last December.

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