

**ANGELS TRANSPORT TECHNOLOGY COMPANY LTD**  
**ONE SHOULD NOT COUNT ON ETHEREAL CONSIDERATIONS**

They seem to be getting smaller and smaller, these days, the new listing candidates for The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd.

Angels Transport Technology Company Ltd, to be designated as Stock Code 8112, as at March 31, 2001, had Net Tangible Assets of just \$HK14,188,000.

If one includes the net proceeds from its 50-million, New Share Placement at 70 cents per share and the capitalisation of the \$HK6,694,000, owed to Directors, the Adjusted Net Tangible Assets still only comes up to a shade more than \$HK45.56 million.

The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) is making, what must be, an historical precedent in listing companies of the ilk of Angels Transport on its Recognised Stock Exchanges.

The Company describes itself as being '*engaged in the provision of transportation technology solutions in respect of toll collection, traffic surveillance, optical fibre road network communication and power supply systems for highways and expressways in the PRC.*' (Page One of the Prospectus)

It has been in business since January 1996 when Mr Daniel X.D. Yan founded Beijing Angels Communications Technology Company Ltd '*with an aim to develop the business of providing management information system technology solutions in the PRC.*' (Page 53)

A little more than one year later, Mr Daniel Yan obtained his first contract from Beijing Chengda Transport Technology Company as a subcontractor '*of the system integration project for the Kunming-Qijing Expressway ...*', a contract with a equivalent value in Hongkong dollars of about \$HK2.10 million.

Today, Angels Transport employs 77 workers, 28 of whom are engineers. (Page 83)

The trading record of the Company for the past 27 months is given at Page 125 of the Prospectus:

	Financial Year ended December 31		Three Months to March 31
	1999	2000	2001
	All Figures are Denominated in \$HK'000		
Turnover	25,254	47,080	1,718
Cost of Services	(16,789)	(25,270)	(1,380)
Gross Profit	8,465	21,810	338
Other Revenue	11	36	6
Distribution Costs	(1,360)	(1,608)	(436)
Administrative Expenses	(3,611)	(7,703)	(2,105)
Operating Profit/(Loss)	3,505	12,535	(2,197)
Taxation	(65)	Nil	Nil
Profit/(Loss) after Taxation	3,440	12,535	(2,197)
Minority Interests	(1,204)	(292)	Nil
Profit Attributable to Shareholders	2,236	12,243	(2,197)

The above table is very telling if one correlates it to Page 97 of the Prospectus, that Page, giving a complete breakdown of the \$HK47.08-million Turnover and of the Gross Profit derived therefrom for the 2000 Financial Year:

	Turnover (\$HK'000)	Percentage of Turnover	Gross Profit Margin
Guangzhou Huanan Expressway	27,380	58 percent	47 percent
Guangzhou-Zhuhai Expressway	12,652	26 percent	60 percent
Harbin-Daqing Expressway	3,111	6 percent	10 percent
Chuxiong-Dali Expressway	2,397	5 percent	10 percent
Songhua River Bridge	980	3 percent	38 percent
Shenzhen-Shantou Expressway	560	2 percent	60 percent

It is apparent that just 2 contracts were responsible for 84 percent of the entire volume of activity of the Company for the 2000 Financial Year, while the Gross Profit Margin was ... [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) or [targnews@hkstar.com](mailto:targnews@hkstar.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*