

**WILL LEAPTEK LTD MAKE IT ?
OR WILL IT BE ANOTHER ONE OF THE SCRAP HEAP ?**

For a publicly listed company that is, or could well be considered, on the verge of insolvency, meaning that it is unable to pay its debts as they fall due, eyebrows should, logically, be raised when one notes that the 6 Executive Directors of the company took about \$HK19.20 million in Total Emoluments, during the worst Financial Year on record.

The Emoluments, by the way, just happen to be an increase of about 102 percent in Total Emoluments, paid to the Directors, compared with the previous Financial Year.

The company to which TARGET is referring is Leaptex Ltd, formerly known as netalone.com Ltd, Code 336, Main Board, The Stock Exchange of Hongkong Ltd.

According to the Annual Report of netalone.com for the Financial Year, ended March 31, 2001, the 6 Executive Directors dipped into the coffers of the Company to the extent of about \$HK19.20 million, during the Year – while the Company suffered a Loss Attributable to Shareholders of about \$HK245.47 million.

For the past 5 Financial Years, this Company has lost money, consistently, with the lone exception of the 1998 Year when the Company earned a Net Profit of about \$HK6.31 million.

The aggregate losses of netalone.com from 1999 to 2001 were about \$HK400 million.

And, now, netalone.com has been sued for \$HK77,692.63.

According to Fuji Xerox (Hongkong) Ltd, netalone.com entered into a Fixed Price Rental Agreement with it on December 29, 1999 to rent 2 photocopiers at a monthly rental of \$HK9,000.

However, according to Fuji Xerox, netalone.com has not paid its monthly rental and meter and service charges, amounting to \$HK77,692.63, since November, last year.

This is the third time in the past 9 months that this Company has been hit with claims of non-payments.

CIT Financial (Hongkong) Ltd sued netalone.com for \$HK23,190.53, also on a claim of alleged default of payments in respect of a hire-purchase agreement, and Bearingtech.com (Hongkong) Ltd sued netalone.com for \$HK100,846 for alleged default in respect of money due and owing to that company.

netalone.com/Leaptex used to be a manufacturer and distributor of consumer electronic products and a provider of e-business solutions, however, it closed down its Consumer Electronics Division in the 2001 Year.

That left the Company with investments, only, one of those investments, being a 5-percent interest in DigiTel Group Ltd (Code: 8030, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd).

The accounts of netalone.com, at Page 42 of the 2001 Annual Report, show that the Company paid \$HK35.41 million for its 5-percent interest in DigiTel Group.

Since it is stated that the Company has 46,592,571 shares in DigiTel Group, then, the average price that netalone.com must have paid for these shares had to be about 76 cents, each.

The price, today, is about 15 cents per share.

The carrying value of the shares of DigiTel Group is in the Books of netalone.com at the purchase price: \$HK35.41 million.

The Executive Directors of netalone.com for the 2001 Financial Year, those that rewarded themselves to \$HK19.20 million for guiding this Company to enjoy the biggest losses in its history, were ... [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 or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.