

**NETEL TECHNOLOGY (HOLDINGS) LTD:
THE HUSBAND-AND-WIFE TEAM,
GUARANTEED TO GO NOWHERE, VERY FAST**

It is not too often that a company, which is technically insolvent, comes to seek, and obtains, a listing on a Registered Stock Exchange, but that was, exactly, the situation in respect of Netel Technology (Holdings) Ltd (Code: 8256, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd).

Had it not been for a cash-on-the-barrel-head guarantee from the Chairman of Netel Technology, Mr James Ang (PUT IN CHINESE, TAKEN FROM PAGE 45), via a private company that he, beneficially, controls, it would have been difficult for this Company's auditors, PricewaterhouseCoopers and Lau and Au Yeung C.P.A. Ltd, not to qualify the accounts – because it would not have been a going concern.

To put it bluntly: Without the Chairman's personal guarantee, backed up by cash and kind resources, Netel Technology could not have met its financial obligations as they fell due.

And that is called, insolvency.

For the past 2 Financial Years, ended May 31, 2002, Netel Technology has been enjoying Net Current Liabilities, being about \$HK43.70 million for the 2001 Financial Year, and about \$HK3 million for the 2002 Year (Financial Year ended May 31).

There is, also, another matter, which might be considered a little worrying situation to some people: The relatively large number of legal claims, issued against subsidiaries of Netel Technology and/or the Chairman and his wife: Ms Maria Yau Pui Chi.

According to **TOLFIN** (**TARGET**'s Computerised Online Financial Intelligence Service and Credit-Checking Provider), at least 3 subsidiaries of Netel Technology have been involved in not less than 7 legal claims, with one claim, enjoining the Chairman, himself.

The following table is in accordance with the data, supplied by **TOLFIN**, going back the past 2 years:

Date	Defendant	Plaintiff	Name of Court	Nature of Claim	Amount of Claim
May 11, 2002	Silver Holdings Ltd	Ocean Joy Investments Ltd	District Court	Rent	\$HK105,100
December 18, 2001	Netel Technology Ltd	Kai Na Printing Company (Transliteration)	Small Claims Tribunal	Goods Sold and Delivered	Not Stated
November 12, 2001	Netel Technology Ltd and Mr James Ang	CIT Financial (Hongkong) Ltd	District Court	Damages	\$HK292,172
November 5, 2001	Pacific Long Distance	Yao Wen Jing (Transliteration)	Small Claims	Labour Claim	Not Stated

	Telephone Corporation Ltd		Tribunal		
May 9, 2001	Netel Technology Ltd	Asia Touch International Company Ltd	High Court	Amount Due	\$HK1,950,496.50
December 15, 2000	Pacific Long Distance Telephone Corporation Ltd	David Lo and Partners (a firm)	District Court	Services Rendered	\$HK165,500

In addition, there is, also, the matter of a Charging Order Absolute, slapped on the residence of the Chairman and his wife by CIT Financial (Hongkong) Ltd.

That was filed in the High Court, according to **TOLFIN**, on March 20, 2002.

That residence is:

Flat A, 18th Floor, Dragon Peak,
Number 9, Dragon Terrace,
Hongkong.

However, the Placing Prospectus of Netel Technology, dated December 16, 2002, states that there is no pending litigation ... [CLICK TO ORDER FULL ARTICLE](#)

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