

**MOBILE TELECOM NETWORK (HOLDINGS) LTD:
IT'S NOT WHAT YOU KNOW, BUT WHO YOU KNOW**

For the 7 months to October 31, 2002, Mobile Telecom Network (Holdings) Ltd had just 5 corporate customers.

These 5 customers, in aggregate, accounted for nearly 92 percent of the Company's total Turnover for that period of time.

This is but one of the strange aspects, contained in the Prospectus of this Company, which went public on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd on the last day of April, this year.

Mobile Telecom Network pitched its story to try to Place 110 million, one cent (US) New Shares at a Price of 30 cents (Hongkong) per Share.

The Company describes itself in the following terms:

'The Group is a mobile data solutions provider engaged in the development and provision of mobile data solutions that enable mobile telecommunication operators, hardware manufacturers, IT-related companies including software/applications developers and enterprises, such as financial institutions and media companies, to deliver data to users of various types of wireless terminals including pocket personal computers, mobile phones and PDAs**. The Group provides wireless data platforms and wireless solutions which are capable of leveraging existing and future telecommunication networks to deliver data via various types of wireless terminals ...'.* (Page 83 of the Placing Prospectus)

<p>* IT-related companies = Information Technology companies ** PDA = Personal Digital Assistant</p>
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Mobile Telecom Network (Code: 8266) has been in business since September 2, 1999 – and has lost a veritable fortune since its founding.

For the past 31 months, ended October 31, 2002, the Accumulated Losses Attributable to Shareholders have been in the order of about \$HK55.48 million.

And, for the 4 months, ended February 28, 2003, Losses Attributable to Shareholders expanded even further by another \$HK3.25 million.

Whether or not Mobile Telecom Network will, ever, make a crust is a big question.

The following is the Consolidated Profit and Loss Account, taken from Page 174 of the Prospectus, covering the previous 31 months:

	Financial Year ended March 31		Seven Months to October 31	
	2001	2002	2002	2001
	All Figures are Denominated in \$HK'000			
Turnover	2,381	1,170	3,189	897
Materials and Equipment	(2,238)	(637)	(902)	(327)
Employment Costs	(8,057)	(9,943)	(1,737)	(8,626)
Research and Development Expenses	(5,206)	(3,066)	(1,395)	(2,076)
Depreciation of Fixed Assets	(1,362)	(2,968)	(1,488)	(1,734)
Other Operating Expenses	(10,563)	(12,153)	(2,362)	(7,173)
Loss from Operations	(25,045)	(27,597)	(4,695)	(19,039)
Interest Income	1,371	484	7	467
Interest Expenses	Nil	Nil	14	Nil
Loss before Taxation	(23,674)	(27,113)	(4,702)	(18,572)
Taxation	Nil	Nil	Nil	Nil
Loss Attributable to Shareholders	(23,674)	(27,113)	(4,702)	(18,572)

As for the Financial Year, ended March 31, 2003, the Loss Attributable to Shareholders could not have been less than \$HK4.70 million (the Loss Attributable to Shareholders for the 7 months, ended October 31, 2002 – see above table) plus \$HK3.25 million, stated as being the Losses for the period, ended February 28, 2003 = \$HK7.95 million.

This calculation is simple ... [CLICK TO ORDER FULL ARTICLE](#)

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