

**NETEL TECHNOLOGY (HOLDINGS) LTD:  
WILL THIS VENDOR OF PRE-PAID TELEPHONE CARDS  
BE ABLE TO LAST THE SUMMER ?**

At next Tuesday's Board of Directors' Meeting of Netel Technology (Holdings) Ltd (Code: 8256, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd), it will be interesting to learn whether or not the company will explain its actions – in issuing rubber cheques, as have, recently, been alleged by a (former?) service provider.

In addition, it will be interesting to learn of the company's defence in respect of numerous allegations of non-payment of bills, some as old as 27 months.

It was only on December 16, 2004, less than one month ago, that CITIC Telecom 1616 Ltd, a wholly owned subsidiary of CITIC Pacific Ltd (Code: 267, Main Board, The Stock Exchange of Hongkong Ltd), issued High Court Action Number 2858, naming Pacific Long Distance Telephone Corporation Ltd as the First Defendant, Netel Technology Ltd as the Second Defendant, and Mr James Ang as the Third Defendant.

Pacific Long Distance Telephone Corporation Ltd is a wholly owned subsidiary of Netel Technology (Holdings) Ltd, as is Netel Technology Ltd.

Mr James Ang is the Chairman of the Netel Technology (Holdings) Group of Companies.

CITIC Telecom issued its Writ of Summons in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), claiming about \$HK4.36 million from the First Defendant and \$HK2.34 million from the Second Defendant and the Third Defendant.

It is alleged, in the Statement of Claim, attached to Writ of Summons Number 2858, that there was a purported Telecommunications Services Agreement, dated August 17, 2001, whereby CITIC Telecom *'agreed to supply switched voice services traffic to each other ("the Services") upon the terms and conditions therein mentioned.'* (Paragraph One of the Statement of Claim)

Against the First Defendant, Pacific Long Distance Telephone Corporation Ltd, CITIC Telecom claimed the sum of \$HK4,356,554.26 in respect of services rendered, dating back as far as October 2002.

Paragraph 3 of the Statement of Claim alleges that the Second Defendant, Netel Technology Ltd, was a purported Guarantor of the First Defendant in favour of CITIC Telecom *'to the extent of US\$300,000.00 (or HK\$2,340,000.00).'*

Mr James Ang, the Chairman of Netel Technology (Holdings) Ltd, was said to be a Second Guarantor of the First Defendant in favour of the Plaintiff, also to the extent of \$HK2.34 million. (Paragraph 4)

On October 29, 2004, it is alleged that the Plaintiff, through its then solicitors, wrote to Pacific Long Distance Telephone, demanding the payment of \$HK5,356,554.26, being the alleged outstanding balance of service fees payable to the Plaintiff. (Paragraph 6)

On November 13, 2004, November 19, 2004, and December 1, 2004 ... [CLICK TO ORDER FULL ARTICLE](#)

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