

**NETEL TECHNOLOGY (HOLDINGS) LTD:  
IS THE END OF THIS SAGA IN SIGHT ?**

The end may well be in sight for publicly listed [Netel Technology \(Holdings\) Ltd](#) (Code: 8256, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd).

This is **TARGET**'s reading of the situation, following the publication of the latest missive from the company's Chairman.

Mr James Ang, a barrister of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), by profession, at least, and the legal owner of about 52.89 percent of the Issued and Fully Paid-Up Share Capital of Netel Technology (Holdings), reported to his shareholders, what amounts to, the inability of his company to meet the challenges of the present day.

The company, whose principal activity is (or should that read, 'was?') the sales of prepaid telephone calling cards to the Filipino maids and drivers, etc, of the HKSAR, mainly, reported that, for the quarter, ended February 28, 2005, the Turnover had sunk to about \$HK4.59 million (down about 70 percent, Year-On-Year), with the Loss Attributable to Shareholders for the period, being about \$HK2.93 million (February 29, 2004: Loss Attributable to Shareholders – \$HK4.90 million).

For the first 9 months of the 2005 Financial Year, this struggling company has lost \$HK9.14 million.

Chairman James Ang, at Page 5 of the Third Quarterly Report, said, inter alia:

*'The macro market environment of prepaid calling card business has been changed. In order to save costs, more foreign domestic helpers prefer to use SMS short messages instead of long distance calls. Therefore, a decreasing trend in the revenue from the prepaid calling card business was recorded in the period under review. In view of this, the Group decides to further control its costs by reallocating its resources. The Group will gradually reduce the number of Lotus Club outlets in prime area with relatively high rental and other operating charges while more resources will be used in setting up Lotus Club outlets in outer districts with lower operating costs.'* (This is a verbatim reproduction)

It would appear that the above business plan is a formula for failure in the fullness of time.

Netel Technology (Holdings) raised about \$HK6 million by issuing 6.23 million, New Shares to a Philippine national in the middle of 2004.

One wonders how much of that money has, now, been lost because it was not long after that event that CITIC Telecom 1616 Ltd issued legal proceedings in the HKSAR High Court, seeking about \$HK6.70 million from the following Defendants:

Mr James Ang;  
Netel Technology Ltd; and,  
Pacific Long Distance Telephone Corporation Ltd  
(a wholly owned subsidiary of Netel Technology (Holdings) Ltd).

While Chairman James Ang continues to try to manage the failing business of Netel Technology (Holdings), he, himself, is having a number of financial problems, also, it appears.

Recently, he was the recipient of Action Number 732, lodged in the High Court of the HKSAR.

This Action is between Digitwise Investment Ltd and Mr James Ang, with the Plaintiff, seeking about \$HK109,063 and vacant possession of the following ... [CLICK TO ORDER FULL ARTICLE](#)

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