

**NETEL TECHNOLOGY (HOLDINGS) LTD:
THE CHAIRMAN PROMISES TO LEND \$HK8 MILLION
TO THE AILING COMPANY**

For the second time since March, this year, the corporate landlord of the Principal Place of Business in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) of [Netel Technology \(Holdings\) Ltd](#) (Code: 8256, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) has sought to kick out this publicly listed company from its luxury offices in Causeway Bay, the HKSAR.

Netel Technology Ltd, a wholly owned subsidiary of Netel Technology (Holdings), has been sued in the HKSAR High Court by Perfect Win Properties Ltd, the corporate landlord of that company's offices, for:

1. Vacant possession of Room 4102, The Lee Gardens, Number 33, Hysan Avenue, Causeway Bay;
2. \$HK403,648.89;
3. Interest on the sum of \$HK275,876.50 from August 17, 2005;
4. Rent and/or Mesne Profits at the rate of \$HK88,755 per month from September 1, 2005;
5. Operating Charge at the rate of \$HK20,545 per month from September 1, 2005;
6. Rates at the rate of \$HK11,100 per quarter;
7. Damages;
8. Further and Other Relief; and,
9. Costs.

Perfect Win Properties Ltd sued Netel Technology on March 1, 2005, which **TARGET** fully reported.

According to the latest set of allegations, contained in High Court Action Number 1614, Perfect Win Properties reached a compromise agreement with Netel Technology in respect of the March 1 Case, requiring the Plaintiff to enter a Consent Summons in the HKSAR High Court.

Allegedly, Netel Technology did not honour its financial obligations to Perfect Win Properties in accordance with the recitals, contained in the Consent Summons, thus leading to the present situation, whereby the corporate landlord would like to be shot of its problem tenant.

The matter is outlined in the Statement of Claim, attached to Writ of Summons Number 1614 as follows:

'7. Since about January 2005, the Defendant (Netel Technology Ltd) has been in arrears of rent and other charges. The Plaintiff (Perfect Win Properties Ltd) commenced a High Court Action in HCA 359 of 2005 on 1st March 2005 (the "March 05 Action") against the Defendant to

recover vacant possession and arrears by forfeiting the Lease. In default of its Notice of Intention to Defend, judgment was entered by the Plaintiff against the Defendant on 1st April 2005 subject to a statutory relief. Messrs. Liu, Chan and Lam then acted for the Defendant in the March 05 Action and reached an agreement with the Plaintiff whereby a consent summons was filed and thereafter an order was made on 17th May 2005 providing, inter alia, that the Defendant be relieved from the forfeiture and the Defendant be relieved from the forfeiture and the Defendant do hold the Premises according to the Lease without any new lease.

- ‘8. In the premises, the Defendant continued to hold the Lease. In further breach of the Lease, the Defendant has again failed to pay rent and other charges. Notwithstanding repeated demands for payment of the arrears, as at the date hereof, the Defendant has failed and/or still fails to make payment of the arrears of rent and other charges in respect of the Premises to the Plaintiff in the total sum of HK\$403,648.89; particulars of the said sum of HK\$403,648.89 are as follows: -

<u>Particular</u>	<u>Period</u>	<u>Amount</u>	<u>No. of day in arrears (calculated up to 16.08.2005)</u>	<u>Interest at 20% per annum (HK\$).</u>
(1) Rent	01.07.05 to 31.07.05	88,755.00	47	2,285.75
	01.08.05 to 31.08.05	88,755.00	16	778.13
	01.04.05 to 30.06.05	7,550.00	138	570.90
(2) Rates		(balance)		
	01.07.05 to 30.09.05	11,100.00	47	285.86
	01.05.05 to 31.05.05	19,313.00	108	1,142.91
(3) Operating Charges	01.06.05 to 30.06.05	19,313.00	77	814.85
	01.07.05 to 31.07.05	20,545.00	47	529.10
	01.08.05 to 31.08.05	<u>20,545.00</u>	16	<u>180.12</u>
	Sub-total:	275,876.00		6,587.62
(4) Extra a/c operating charges	01.05.05 to 31.05.05	2,898.00		
	01.06.05 to 30.06.05	2,898.00		
	01.07.05 to 31.07.05	2,898.00		
	01.08.05 to 31.08.05	2,898.00		
Balance of rental deposit		<u>109,593.27</u>		
Total amount in arrears:		<u>403,648.89</u>		

- ‘9. The Plaintiff is entitled to interest on such arrears at the rate of 20% per annum pursuant to Clause 2(b) of the Lease as referred to in paragraph 2 hereof. In this regard, the Plaintiff do claim interest on the sum of HK\$275,876.00 being the arrears pleaded in paragraph 8 hereof.
- ‘10. By reason of non-payment of rent and other charges as aforesaid, the Defendant has failed to discharge the fundamental obligations of the Agreement and has thereupon evinced an intention that the Defendant no longer wishes to be bound thereunder and thereby repudiated the same. The Plaintiff, as it was so entitled, hereby accepts the repudiation of the Defendant by the issue and service of the Writ herein whereupon the Defendant’s tenancy of the Premises is determined without prejudice to the Plaintiff’s rights to recover such loss and damages thereupon.
- ‘11. Further or in the alternative, by reason of non-payment of rent and other charges as aforesaid, the Defendant’s tenancy of the Premises was liable to be forfeited and is hereby together with the deposit forfeited to the Plaintiff by the issue and service of the Writ herein without prejudice to the Plaintiff’s rights to claim further damages.
- ‘12. Further, by reason of the Defendant’s repudiation of the tenancy of the Premises (alternatively, by reason of the forfeiture of the tenancy of the Premises), the Plaintiff has suffered loss and damage (including but not limited to loss and damage for the unexpired term

arising from the Defendant's breach of the Lease) and by the issue and service of this Writ of Summons do hereby claim against the Defendant for such loss and damage (to be assessed).'

Netel Technology (Holdings) Ltd and ... [CLICK TO ORDER FULL ARTICLE](#)

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