

**TAKING A CLOSER LOOK AT:
CHINA COMMUNICATION TELECOM SERVICES COMPANY LTD**

China Communication Telecom Services Company Ltd () (Code: 8206, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) has been able to record a Net Profit Attributable to Shareholders in only one Financial Year since 2010.

The net aggregate net losses of this Company in respect of its core activity – the provision of the promotion and management services of an electronic smart card, known as the Shentong Card in the People's Republic of China (PRC) – since the 2010 Financial Year, have been \$HK273.07 million.

The market value of the Company's total assets, during the past five Financial Years, has fallen by about \$HK239,991,000, or approximately 77.58 percent.

The 2014 Interim Report with regard to the six months, ended September 30, 2014, saw another losing period, with the Loss Attributable to Shareholders, being about \$HK4.31 million on a Turnover of about \$HK20,232,000.

The Consolidated Balance Sheet showed that the Company had, as at September 30, 2014, bank and cash balances of \$HK52,875,000 (March 31, 2014: \$HK51,680,000).

The Company, however, has an outstanding Promissory Note, the carrying value of which is about \$HK99.10 million. The Promissory Notes bears interest at the rate of two percent per annum.

China Communication Group Company Ltd (), the beneficial holder of the Promissory Note, has given the Company a one-year reprieve in respect of the Promissory Note, from June 30, 2014, until June 30, 2015.

The beneficial owner of the Promissory Note is, in effect, Mr He Chen Guang (), the Company's Chairman.

The Substantial Shareholder of the Company is China Communication Group Company Ltd, beneficially owning 27.54 percent of the Issued and Fully Paid-Up Share Capital.

The present Gearing Ratio – total liabilities divided by total assets – was about 1.74 percent, as at September 30, 2014 (March 31, 2014: 1.64 percent).

The Chairman of China Communication is Mr He Chen Guang. The Chief Executive Officer is Mr Bao Yue Qing ().

With regard to Chairman He Chen Guang, the 2014 Annual Report of China Communication describes him thusly:

Mr. Chenguang, aged 53, joined the Group and was elected as the Chairman of the Group in April 2006. He is responsible for formulating the Group's strategy of overall business development. Mr. He holds a professional qualification in business administration and has extensive experience in management of major enterprises, in particular, management, operation and strategic development of telecommunication industry in the PRC. Currently,

he is the chairman of the board of directors of the Company's substantial shareholder, (China Communication Group Co., Ltd.) ("CCC"), a nationwide telecom operator and internet network operator in the PRC.'

As for Mr Bao Yue Qing ... [CLICK TO ORDER FULL ARTICLE](#)

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