



THE STOCK EXCHANGE OF HONG KONG LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)
(the “Exchange”)

28 April 2008

The GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “GEM Listing Committee”) censures GreaterChina Technology Group Limited (the “Company”) (Stock code: 8032) for breaching the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GLR”).

Further, the GEM Listing Committee criticises Ms Cheng Kit Yin Kelly (the “Relevant Director”), an Executive Director of the Company for breaching her obligations under the Declaration and Undertaking with regard to Directors given by her to the Exchange in the form set out in Appendix 6A to the GLR (the “Director’s Undertaking”).

Late publication and dispatch of financial results and financial reports for the financial year ended 31 July 2003, the first quarter ended 31 October 2003, the interim period ended 31 January 2004, the third quarter ended 30 April 2004 and the financial year ended 31 July 2004

The Company was required to publish the following financial results (collectively referred to as the “Financial Results”) and dispatch the following financial reports (collectively referred to as the “Financial Reports”) by the following deadlines:

- (i) its audited final results (the “2003 Final Results”) and its annual report (the “2003 Annual Report”) for the financial year ended 31 July 2003 (“FY2003”) within three months after the date upon which the financial year ended, i.e. on or before 31 October 2003;
- (ii) its first quarter results (the “First Quarter Results”) and its first quarter report (the “First Quarter Report”) for the three months ended 31 October 2003 not later than 45 days after the end of the relevant period, i.e. on or before 15 December 2003;
- (iii) its interim results (the “Interim Results”) and its interim report (the “Interim Report”) for the six months ended 31 January 2004 not later than 45 days after the end of the relevant period, i.e. on or before 16 March 2004;
- (iv) its unaudited third quarter results (the “Third Quarter Results”) and the third quarter report (the “Third Quarter Report”) for the nine months ended 30 April 2004 not later than 45 days after the end of the relevant period, i.e. on or before 15 June 2004; and
- (v) its audited final results (the “2004 Final Results”) and its annual report (the “2004 Annual Report”) for the financial year ended 31 July 2004 not later than three months after the date upon which the financial year ended, i.e. on or before 31 October 2004.

The relevant Financial Results and Financial Reports were published and dispatched on the following dates:

- (i) the 2003 Final Results were published and the 2003 Annual Report was dispatched on 7 October 2004 and 1 December 2004 respectively, with a delay of approximately 11 months and 7 days, and 1 year 1 month and 1 day respectively;
- (ii) the First Quarter Results were published and the First Quarter Report was dispatched on 1 November 2004 and 2 December 2004 respectively, with a delay of approximately 10 months and 17 days, and 11 months and 17 days respectively;
- (iii) the Interim Results were published and the Interim Report was dispatched on 2 November 2004 and 2 December 2004 respectively, with a delay of approximately 7 months and 17 days, and 8 months and 16 days respectively;
- (iv) the Third Quarter Results were published and the Third Quarter Report was dispatched on 8 November 2004 and 2 December 2004 respectively, with a delay of approximately 4 months 24 days, and 5 months and 17 days respectively; and
- (v) the 2004 Final Results were published and the 2004 Annual Report was dispatched on 24 November 2004 and 2 December 2004 respectively, with a delay of approximately 24 days, and 1 month and 2 days respectively.

The delay was caused by the differences between the Company and the Company's auditors (before their resignation on or around 23 August 2004) (the "Former Auditors") in respect of the information and supporting documents required for the audit for the FY2003. There is no clear evidence that all the information and documents required for the audit had been provided by the Company to the Former Auditors.

There were certain time periods during the course of the preparation of the 2003 Final Results in which the Company and its Executive Director (i.e. the Relevant Director) have not taken pro-active steps to resolve their differences with the Former Auditors and to expedite finalisation of the Financial Results, and thereby prolonging the delay in the Company's publication and dispatch of the Financial Results and Financial Reports.

The delay was for a lengthy period of time, especially in relation to the publication and dispatch of the 2003 Final Results and the 2003 Annual Report. The delay in finalisation of the 2003 Final Results led to a consequential delay in publication and dispatch of the subsequent Financial Results and Financial Reports. The Company's shareholders and the investing public had been deprived of financial information of the Company for a considerable period of time.

The Company has admitted breaching the provisions of Rules 18.03, 18.48A, 18.49, 18.53, 18.66, 18.78 and 18.79 of the GLR in force at the material time.

The Relevant Director has admitted breaching the Director's Undertaking in failing to use her best endeavours to procure the Company's compliance with the GLR.

Having considered the foregoing facts and the representations made by the parties concerned, the GEM Listing Committee has concluded that the Company was in breach of Rules 18.03, 18.48A, 18.49, 18.53, 18.66, 18.78 and 18.79 of the GLR in force at the material time and the Relevant Director was in breach of the Director's Undertaking.

Accordingly, the GEM Listing Committee hereby censures the Company for the breaches mentioned above and criticises the Relevant Director for breach of the Director's Undertaking.

The Exchange confirms that this censure and this criticism apply only to the Company and the Relevant Director respectively and not to any past or present member of the Board of Directors of the Company.

Richard Williams, Head of Listing, said, "This case reinforces the regulatory message that listed issuers are required to comply with their financial reporting obligations in a timely manner, as such compliance is a cornerstone of the regulatory regime. Failure to adhere to these obligations impedes the ability of the shareholders and the investing public to make informed investment decisions and ultimately erodes investor confidence in the market.

The responsibility to ensure timely compliance with these obligations lies primarily with the directors of listed issuers. They are under an obligation to take timely and reasonable action, including dealing with auditors' requests and taking pro-active reasonable steps to resolve their differences with the auditors regarding the audit. In this case, no such action had been taken and had therefore led to a prolonged delay in finalisation of five consecutive sets of the company's financial results and the continued trading suspension of the company's shares. The Exchange will not hesitate to take appropriate regulatory action where these important financial reporting obligations are not timely complied with."