



THE STOCK EXCHANGE OF HONG KONG LIMITED

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

2 May 2007

The Listing Committee of The Stock Exchange of Hong Kong Limited (the “Listing Committee”) censures the following parties for breaching the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Exchange Listing Rules”):

- 1. China Rich Holdings Limited (the “Company”) (stock code: 1191);**
- 2. Mr Yip Kwong Robert, an executive director of the Company (“Mr Yip”);**
- 3. Mr Kam Shing, an executive director of the Company (“Mr Kam”); and**
- 4. Ms Cheng Kit Yin Kelly, a former executive director of the Company retired on 7 January 2005 (“Ms Cheng”).**

On 6 March 2007, the Listing Committee conducted a hearing into the conduct of the Company and Mr Yip, Mr Kam and Ms Cheng (collectively, the “Relevant Directors”) in relation to the obligations under the Exchange Listing Rules and the Declaration and Undertaking with regard to Directors given by each of the Relevant Directors to the Exchange in the form set out in Appendix 5B to the Exchange Listing Rules (the “Director’s Undertaking”).

Facts

The Company was required under:

- paragraphs 8(1) and 11(1) of the then Listing Agreement to publish in the newspapers its preliminary results in respect of its financial year and to send to its shareholders its annual report within four months of the end of its financial year;
- paragraph 8(2) of the then Listing Agreement to make up its annual accounts to a date not falling more than six months before the date of its annual general meeting;
- paragraph 11(3)(i) of the then Listing Agreement to make an announcement within four months of the end of its financial year where it was unable to make an announcement of its preliminary results, setting out, among other things, the results for the financial year based on unaudited financial results; and
- Rules 13.48(1) and 13.49(6) of the Exchange Listing Rules to publish in the newspapers a preliminary announcement in respect of its interim results and to send to its shareholders its interim report no later than three months of its half-year.

For the financial year ended 31 July 2003, the Company's unaudited and audited annual results were not published until 27 February 2004 and 25 October 2004 respectively; the annual report was not despatched until 9 December 2004; and the annual general meeting was only convened on 7 January 2005.

For the six months ended 31 January 2004, the Company's interim results and interim report were not published and despatched until 12 November 2004 and 9 December 2004.

The Listing Division alleged that the Company breached paragraphs 8(1), 8(2), 11(1) and 11(3)(i) of the then Listing Agreement and Rules 13.48(1) and 13.49(6) of the Exchange Listing Rules. The Company admitted breaches of the Exchange Listing Rules in its various announcements.

The Listing Division further alleged that each of the Relevant Directors breached the Director's Undertaking.

Decision

The Listing Committee concluded as follows:

- (i) the Company breached paragraphs 8(1), 8(2), 11(1) and 11(3)(i) of the then Listing Agreement and Rules 13.48(1) and 13.49(6) of the Exchange Listing Rules; and
- (ii) each of the Relevant Directors breached the Director's Undertaking to use his or her best endeavours to procure the Company's compliance with the Exchange Listing Rules.

The Listing Committee decided to impose a public censure on the Company and each of the Relevant Directors for their respective breaches mentioned in (i) and (ii) above.

Richard Williams, Head of Listing, commented: "The timely release of financial reports within the timeframes established by the Exchange Listing Rules is a cornerstone of the regulatory regime. Failure to adhere to those obligations, which are clearly set out in the rules, erodes the ability of shareholders and the market to make informed investment decisions and ultimately investor confidence in the market.

Primary responsibility for ensuring compliance with this pivotal obligation rests with the directors of the listed issuer. It is their responsibility to take timely action; including responding to and dealing with legitimate enquiries raised by the auditors to ensure that results are published on time. Regulatory, including where appropriate, disciplinary action will follow where the financial reporting requirements are not met."