



## **THE STOCK EXCHANGE OF HONG KONG LIMITED**

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

5 June 2007

**The Listing Committee of The Stock Exchange of Hong Kong Limited (the “Listing Committee”) criticises Mr Yi Xing Wu, a former executive director of Smart Rich Energy Finance (Holdings) Limited (the “Company”) (Stock code: 1051) (resigned effective 26 August 2006), for breaching the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Exchange Listing Rules”).**

On 24 April 2007, the Listing Committee conducted a disciplinary hearing into possible breaches by, among others, Mr Yi Xing Wu (“Mr Yi”) of his obligations under paragraphs A.3 and B.8 of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Exchange Listing Rules (the “Model Code”) and Declaration and Undertaking with regard to Directors given by him to the Exchange in the form set out in Appendix 5B to the Exchange Listing Rules (the “Director’s Undertaking”).

### **Facts**

Pursuant to paragraphs A.3 and B.8 of the Model Code, a director of a listed issuer is prohibited from dealing in the shares of the issuer during the blackout period (i.e. the period commencing one month immediately preceding the earlier of: (i) the date of the board meeting at which the issuer’s results are approved; and (ii) the deadline for publication of the results, and ending on the date of the results announcement) unless the circumstances are exceptional. A director must not deal in the issuer’s shares without first notifying the chairman or the designated director in writing and receiving a dated written acknowledgement.

The Company’s interim results for the six months ended 31 December 2005 were approved and published on 14 March 2006. The blackout period prohibiting the Company’s directors from dealing in the Company’s shares commenced one month immediately preceding 14 March 2006 and ended on 14 March 2006. Mr Yi disposed of 157,830,000 shares of the Company within the blackout period on 2 March 2006, without first notifying in writing the chairman or other designated director and obtaining a dated written acknowledgement.

Mr Yi admitted his breaches of the Exchange Listing Rules.

## **Decision**

The Listing Committee concluded that Mr Yi was in breach of the following:

- (i) paragraphs A.3 and B.8 of the Model Code; and
- (ii) the Director's Undertaking to comply to the best of his ability with the Exchange Listing Rules and to use his best endeavours to procure the Company's compliance with the Exchange Listing Rules.

The Listing Committee decided to impose a public statement which involves criticism on Mr Yi for the said breaches. Further, the Listing Committee directs that, as a pre-requisite of any future appointment(s) of Mr Yi as a director of any company listed on the Exchange, he must first obtain a minimum of 40 hours of training on the Exchange Listing Rules compliance as may be appropriate for a person with no knowledge of the Exchange Listing Rules. Such training should be provided by training provider(s) acceptable to the Listing Division.

For the avoidance of doubt, the Exchange confirms that the public statement which involves criticism only applies to Mr Yi and not to the Company or any other past or present member of the Board of Directors of the Company.

Richard Williams, Head of Listing, commented: "The importance of the Model Code requirements of the Exchange Listing Rules relating to directors dealings in securities of the companies of which they are directors cannot be overstated. The rule provisions seek to promote transparency in personal share dealings by directors and to ensure that dealings do not take place while directors are in a privileged position. Failure to adhere to those obligations carries potential implications for market confidence and integrity. Directors must familiarise themselves with these important obligations and ensure that they, and the company of which they are an officer, are in a position to perform them.

Another important regulatory message to emerge from this decision lies in the requirement of training for Mr Yi who has resigned as director of the Company. The Committee was clearly concerned with the extent of Mr Yi's knowledge and understanding of his listing obligations and for that reason, if he should wish to become a director of a Hong Kong listed company again in the future must undergo formal training. The observance of this requirement will be a factor in the Division's assessment of Mr Yi's satisfaction of rule 3.09 in the event that such an application is made."