

**CHINA RICH HOLDINGS LTD :
NOT SO RICH, NOW**

The solicitors' firm of Deacons has sued publicly listed China Rich Holdings Ltd for a second time, this time seeking \$HK330,568.49 for alleged debts, going back to 1999.

It is, indeed, rare for a solicitors' firm of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) to wait for such an inordinate length of time to get paid, but it would appear that Deacons has been most patient with its (former?) client.

It would appear that Deacons had been performing professional services for China Rich (Code: 1191, Main Board, The Stock Exchange of Hongkong Ltd) since at least May 1999, but China Rich requested that Deacons, also, address its claims to the subsidiaries or associated companies of China Rich.

On February 9, Deacons, following the orders of China Rich, sued a wholly owned subsidiary of China Rich, Fitzroya Finance Company Ltd, a money-lender, for \$HK158,410.05.

Having duly done this, it would appear that it did not change the price of rice pudding, at all – because Deacons, still, did not get its money.

According to **TOLFIN** (**TARGET's** Computerised Online Financial Service), Taskforce Collections Incorporated sued Wing Fai Construction Company Ltd, another wholly owned subsidiary of China Rich, which is engaged in repairs and maintenance work, in the HKSAR High Court on Saturday, February 9, for about \$HK1.21 million, alleging that this money was due and owing to it.

Ironically, this Action was instituted on the same day that Deacons issued its Writ against Fitzroya Finance.

That was not the first time that Wing Fai Construction had been hit in the High Court of the HKSAR since, on July 23, 2001, Wing Wo (Asphalt) Engineering Company staked its claim against the company, alleging that it was owed about \$HK638,832.

The biggest, single claim against China Rich, et alii, to date, has been lain by Citilight Engineering Company Ltd, which sued another subsidiary of China Rich, Wai Shun Construction Company Ltd, an inactive, wholly owned subsidiary, for about \$HK4.37 million.

That claim, according to **TOLFIN**, was filed on May 5, 2001.

The Annual Report of China Rich for the Financial Year, ended July 31, 2001, indicates that the Company suffered a loss of about \$HK116.59 million for that Year.

That result compared with the 2000 Financial Year when the Company reported a Net Profit Attributable to Shareholders of about \$HK216.32 million.

The Company paid, in aggregate, 2 cents per share to its shareholders in the 2000 Year, absorbing about \$HK41.44 million.

It paid no dividend in the 2001 Year.

The Consolidated Balance Sheet for the 2001 Financial Year showed that the Company, as at Balance Sheet Date, had about \$HK424 million in bank balances ... [CLICK TO ORDER FULL ARTICLE](#)

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