

**DEACONS SUES CHINA RICH HOLDINGS – AGAIN !**

And the claims continue to pile up against publicly listed China Rich Holdings Ltd and its subsidiaries, with its (former?) solicitors, having launched yet another attack on this construction company.

Deacons, a solicitors' firm of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), has told China Rich's wholly owned subsidiary, China Rich Technologies Ltd, that it would be most pleased if that company would be so kind as to pay an amount of about \$HK11,424.50, that amount of money, allegedly being owed to the solicitors' firm since June 2001.

It is only a smallish amount of money, most people would say, but it seems that China Rich is having a spot of bother in paying it.

China Rich Holdings is a company that is listed on The Stock Exchange of Hongkong Ltd, being Stock Code Number 1191, which, over the past few months, has earned for itself a rather unenviable reputation for not paying its bills as they fall due.

On February 18, 2002, in a story, headlined, '[CHINA RICH HOLDINGS LTD: NOT SO RICH, NOW](#)', **TARGET** published, also, how the solicitors' firm of Deacons was having trouble in collecting money from its (former?) client.

In that report, **TARGET** wrote:

*'... It would appear that Deacons had been performing professional services for China Rich ... since at least May 1999, but China Rich requested that Deacons, also, address its claims to the subsidiaries or associated company 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 ...*

*'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 n 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 ... '.*

Since the above report was published, **TOLFIN** has documented that Wing Fai Construction Company Ltd has been sued not less than 15 times, with the aggregate amount of money, being claimed from this company, being not less than \$HK3.15 million.

One would think that, in view of the number of legal claims, being lain against China Rich, et alii, that Management would want to keep on the good side of solicitors.

After all, solicitors' charges must, now, be among the highest recurrent costs of this publicly listed Company, which, by the way, has yet to tell its minority shareholders of its obvious financial problems.

The 2001 Consolidated Balance Sheet of China Rich would have anybody, on reading it, carefully, think that the Company is not, at all, very rich, unlike its name, since its bank borrowings have mounted to about \$HK439.45 million, which is about 82 percent higher than total bank borrowings, recorded at the end of the 2000 Financial Year.

The claims against China Rich are mounting, ever higher, and so its goes on, and on, and on, and on ...

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