



香港交易所

THE STOCK EXCHANGE OF HONG KONG LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

NEWS RELEASE

3 April 2001

PUBLIC STATEMENT

in respect of

**Wah Sang Gas Holdings Limited
(the "Company")**

and

**Mr. Shum Ka Sang, Mr. Wang Ganghao, Mr. Choi Yat Choy,
Mr. Shen Yi and Ms. Chen Cuiwan
(the "Relevant Directors")**

The Stock Exchange of Hong Kong (the Exchange) hereby publicly criticises the Company and each of the Relevant Directors for breaches of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and the Director's Declaration and Undertaking and Acknowledgement (the "Directors' Undertaking") given by the Relevant Directors to the Exchange in the form set out in Appendix 6A to the GEM Listing Rules.

The Listing Committee of the Growth Enterprise Market of the Exchange (the "GEM Listing Committee") has recently concluded an investigation and hearing into the conduct of, among others, the Company and the Relevant Directors, being executive directors of the Company, in connection with, among other things, the failure by the Company to observe the requirements of GEM Listing Rules 11.12, 14.24 and 17.11.

The GEM Listing Committee has considered the terms of the Prospectus published by the Company on 7 March 2000 prior to the flotation of the Company's securities on the Growth Enterprise Market. The GEM Listing Committee has noted that the Prospectus failed to disclose in sufficient detail the terms of a joint venture agreement and in particular that the agreement had been executed by the Company on or about 28 February 2000 (the "Joint Venture Agreement"). The GEM Listing Committee has noted that the transaction accounted for 66.52% of the net asset values of the Company before listing and 33.58% of the net asset values after listing. Among others, the Relevant Directors took responsibility for the accuracy of the Prospectus by the responsibility statement contained within the Prospectus. The GEM Listing Committee has therefore concluded on the basis of the admissions that have been made that breaches of GEM Listing Rules 11.12 and 14.24 have occurred.

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香港交易及結算所有限公司

Hong Kong Exchanges and Clearing Limited

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The GEM Listing Committee has also noted the terms of an announcement made by the Company dated 11 April 2000 which made no reference to the execution of the Joint Venture Agreement. That announcement was also made on the collective responsibility of among others, the Relevant Directors. The GEM Listing Committee considers that the failure to disclose the execution of the Joint Venture Agreement gives rise to failure to comply with GEM Listing Rule 17.11.

Details of the transaction were published in an announcement published by the Company on 2 May 2000.

By reason of the breaches of the GEM Listing Rules identified above, the GEM Listing Committee has also concluded that the Relevant Directors have, in causing or failing to prevent the Company from breaching the GEM Listing Rules, also collectively and individually acted in breach of their respective Directors' Undertakings, under which they undertook to use their best endeavours to procure that the Company would comply with the GEM Listing Rules.

Accordingly, the Company and each of the Relevant Directors are hereby publicly criticised by the GEM Listing Committee for:

- (i) the Company's breaches of GEM Listing Rules 11.12, 14.24 and 17.11; and
- (ii) the Relevant Directors' breach of the Directors' Undertaking.

For the avoidance of doubt the Exchange confirms that in relation to this matter it is not publicly criticising any present or former member of the Board of Directors of the Company, save for those named herein.

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