



SFC PRESS RELEASE

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TO THE BUSINESS EDITOR
FOR IMMEDIATE RELEASE

SFC Prosecutes Sang Yee Pan Rondy for Short Selling

The SFC has successfully prosecuted Mr Sang Yee Pan Rondy for short selling Ngai Lik Industrial Holdings Limited shares on 26 March 2002.

Sang pleaded guilty before Mr Anthony Yuen at Western Magistracy today to two summonses in relation to his short selling of securities in contravention of Section 80 of the Securities Ordinance. Section 80(1) of the Securities Ordinance prohibits the sale of securities when the seller does not have a presently exercisable and unconditional right to sell them. Sang was fined \$5,000 and ordered to pay investigation costs of \$19,667 to the SFC.

The SFC investigation found that at all material times, Sang was an associate director and a representative of a broker firm. On 26 March 2002, Sang sold 122,000 Ngai Lik shares through an account controlled by him at the broker firm and then bought back the same quantity of shares at a lower price through another firm, and made a gross profit of HK\$16,500.

An SFC spokesman said as Sang is a licensed person, the SFC will also initiate disciplinary proceedings against him. Under the new regime, short selling is prohibited under section 170 of the Securities and Futures Ordinance. The SFC reminds the industry of the importance of complying with the relevant laws and regulations.

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For enquiries, please contact Ernest Lau 2840 9470.

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