

## SFC obtains disqualification and \$84 million compensation orders against former chairman of First Natural Foods Holdings Limited

20 Feb 2017

The Securities and Futures Commission (SFC) has obtained disqualification and compensation orders in the Court of First Instance against Mr Yeung Chung Lung, former chairman and executive director of First Natural Foods Holdings Limited (First Natural Foods) over embezzlement of \$84 million and provision of false bank statements to auditors (Notes 1, 2 & 3).

Without leave of the court, Yeung has been disqualified from being a director or being involved in the management of any listed or unlisted corporation in Hong Kong for 12 years. He has been ordered to repay \$84,880,000, with compound interest, to Topping Chance Development Limited, which has taken up all First Natural Foods' causes of actions (Note 4).

The court has also ordered that both Mr Yang Le and Mr Ni Chao Peng, First Natural Foods' former executive directors, be disqualified for eight years (Notes 5 & 6).

Yeung, Yang and Ni were absent from the trial in which the court found that:

- Yeung embezzled \$84,880,000 in December 2008 from First Natural Foods' subsidiary.
- Yeung, Yang and Ni knew that First Natural Foods provided false bank statements that overstated the cash balance of a key subsidiary on Mainland China to its auditors and deceived creditors and shareholders about the true financial position of the company and its subsidiaries.
- Yeung, Yang and Ni obstructed the provisional liquidators of First Natural Foods' investigation into its affairs and prevented the provisional liquidators from gaining control of the company's subsidiaries which had led to the dispossession of the subsidiaries from First Natural Foods.
- Yeung was negligent in publishing a false announcement in December 2008.

End

Notes:

1. First Natural Foods was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 11 February 2002. Provisional liquidators were appointed on 7 July 2009 and their duties were discharged on 4 September 2012 upon completion of restructuring. **First Natural Foods is now called Imperial Pacific International Holdings Limited.**
2. The SFC commenced proceedings under section 214 of the Securities and Futures Ordinance in April 2013. Please see the SFC's press release dated [24 April 2013](#).
3. Yeung was the founder, chairman and executive director of First Natural Foods until 27 August 2009.
4. **Topping Chance is a special purpose vehicle set up by the provisional liquidators for the purposes of taking up First Natural Foods' causes of action upon completion of the restructuring.**
5. Yang is Yeung's son and was the chief executive officer and executive director until 12 December 2008. Ni is Yeung's son-in-law and was an executive director until 12 December 2008.
6. The disqualification orders made against Yeung, Yang and Ni became effective on 17 February 2017.

Page last updated : 20 Feb 2017

## 證監會取得針對第一天然食品有限公司前主席的取消資格令及8,400萬元賠償令

2017年2月20日

證券及期貨事務監察委員會（證監會）在原訟法庭取得針對第一天然食品有限公司（第一天然食品）前主席兼執行董事楊宗龍（男）的取消資格令及賠償令，原因是他盜用了8,400萬元及向核數師提供虛假的銀行結單（註1、2及3）。

楊宗龍被飭令未經法庭許可，不得擔任香港任何上市或非上市法團的董事或參與法團管理工作，為期12年。他被飭令向早前承讓了第一天然食品所有訴訟因由的恒昌發展有限公司（恒昌）償還84,880,000元連同複利息。（註4）。

原訟法庭亦飭令第一天然食品前執行董事楊樂（男）和倪朝鵬（男）在八年內不得擔任法團董事（註5及6）。

楊宗龍、楊樂和倪朝鵬沒有出席審訊。原訟法庭在審訊中裁定：

- 楊宗龍於2008年12月從第一天然食品的附屬公司盜用了84,880,000元。
- 楊宗龍、楊樂和倪朝鵬知悉第一天然食品向其核數師提供虛假的銀行結單，當中誇大了一家中國內地主要附屬公司的現金結餘，及就該公司及其附屬公司的真實財務狀況瞞騙債權人及股東。
- 楊宗龍、楊樂和倪朝鵬曾妨礙臨時清盤人調查第一天然食品的事務，及阻止臨時清盤人取得該公司的附屬公司的控制權，導致第一天然食品失去對附屬公司的管有權。
- 楊宗龍在2008年12月發表一份虛假公布時疏忽職守。

完

備註：

1. 第一天然食品於2002年2月11日在香港聯合交易所有限公司主板上市。臨時清盤人於2009年7月7日獲委任，而他們的職務已在重組完成後於2012年9月4日被解除。第一天然食品現稱博華太平洋國際控股有限公司。
2. 證監會在2013年4月根據《證券及期貨條例》第214條展開法律程序。請參閱證監會2013年4月24日的新聞稿。
3. 楊宗龍為第一天然食品的創辦人，並擔任主席兼執行董事至2009年8月27日。
4. 恒昌為臨時清盤人成立的特別目的公司，目的是在重組完成後承讓第一天然食品的訴訟因由。
5. 楊樂為楊宗龍的兒子，並擔任行政總裁兼執行董事至2008年12月12日。倪朝鵬為楊宗龍的女婿，並擔任執行董事至2008年12月12日。
6. 針對楊宗龍、楊樂和倪朝鵬的取消資格令已於2017年2月17日生效。

最後更新日期：2017年2月20日