

18 May 2004

TO THE BUSINESS EDITOR
FOR IMMEDIATE RELEASE

Man Jailed for Defrauding SFC

The Court has for the first time sentenced a person to imprisonment for defrauding the SFC.

Pacific Pearl Securities Limited (PPSL), Pacific Pearl Futures Limited (PPFL), Mr Cheng Kwok Cheung, the then director of PPSL who was responsible for accounting and financial matters of both PPSL and PPFL, and Mr Yung Ki Cheong Philip, the then director and major shareholder of both PPSL and PPFL, earlier pleaded guilty to defrauding the SFC that the firms could comply with the Financial Resources Rules relating to brokers during September and October 2002 (Note 1).

Mr Abu Bakar bin Wahab, a Magistrate at Kowloon City Magistracy, today sentenced Cheng to three months' imprisonment for each of two summonses, to be served concurrently. Cheng was granted bail pending his appeal against sentence. PPSL and PPFL were ordered to pay fines of \$12,100 and \$16,000 respectively.

Outstanding issues relating to Yung were adjourned to 11 June 2004.

Ends

Note to Editor:

1. Please refer to a press release issued on 2 April 2004.
2. For enquiries, please contact May Hon at 2283 6861.

CC\04PR88