



# SFC Enforcement Reporter

A monthly summary of SFC enforcement action

證監會 June 2005

## Highlights

In May, the SFC successfully prosecuted one company and four people.

## Prosecution

### Unlicensed representative and supervisor both prosecuted

Between May and August 2004, Mr Ng Ka Man handled client orders at Bright Smart Securities International (HK) Limited whilst unlicensed. Mr Chan Pang, a responsible officer of Bright Smart, aided and abetted Ng's unlicensed activities. Both pleaded guilty. Each was fined \$3,000 and ordered to pay the SFC's investigation costs.

(Press release issued on 5 May 2005)

*Only people licensed by the SFC or on HKMA's register may perform regulated activities. Not only will contraventions meet with criminal prosecutions, firms without adequate internal controls to guard against unlicensed activities may also face disciplinary action.*

### Three prosecuted for late disclosures

Mr Mo Shikang pleaded guilty to failing to report within three days to HKEx his disposals, between 10 and 19 May 2004, of shares in KEL Holdings Limited (now renamed Chinese People Gas Holdings Company Limited), of which he was a director. Rhythorth Limited, a substantial shareholder of KEL that was wholly owned by Mo, also pleaded guilty to failing to report within three days to HKEx its disposals of KEL shares on 10 May 2004. Mo was fined \$20,000 and Rhythorth \$10,000. Mo was ordered to pay the SFC's investigation costs.

(Press release issued on 26 May 2005)

Mr Lee Eng Chhong, who was a substantial shareholder of Bestway International Holdings Limited, pleaded guilty to failing to notify HKEx and Bestway of his disposal of interests in Bestway on 19 April 2004. Lee was fined \$2,000 and ordered to pay the SFC's investigation costs.

(Press release issued on 5 May 2005)

*People failing to observe the disclosure of securities interests law damage the transparency of the market and face prosecution.*

## General Enforcement Statistics

From 1 April 2005 to end of May, the SFC successfully prosecuted nine entities and offered no evidence against one entity. In the same period, the SFC disciplined nine licensees for various regulatory breaches and entered into settlement with one licensee with voluntary payment and with no formal sanction imposed.

*If you want to know more, the SFC's press releases are available at [www.sfc.hk](http://www.sfc.hk).*



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