

SFC Resolves Dispute with Raphael Blot on Basis of Payment Without Admission of Liability

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Without admitting any liability, Raphael Blot consented to pay HK\$750,000 to the SFC and withdraw his Securities and Futures Appeals Tribunal appeal and judicial review application of the SFC's decision to suspend his licence for 6 months. The SFC has withdrawn its decision to suspend Mr. Blot's licence and accepted Mr. Blot's payment instead.

On 19th November 2003 the SFC determined that Mr. Blot's licence (Note 1) should be suspended for the period of six months by reason of his use of "placing schemes" from October 1998 to May 1999 in order to meet the placing requirements of the former 15A.67 and Appendix 6A, of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. The Listing Rules were amended to remove these requirements with effect from 10th December 2001. The SFC refers to its announcement dated 7th June 2001 in this regard.

Mr. Blot appealed the SFC's decision to the Securities and Futures Appeals Tribunal and was granted leave by the High Court to judicially review the SFC's decision. Both these sets of proceedings have now been withdrawn as part of a compromise between the SFC and Mr. Blot on the basis that Mr. Blot pays HK\$750,000 to the SFC, without admitting any liability and Mr. Blot's licence will not be suspended. The SFC will pay the sum to the government revenue.

Note 1: Mr. Blot is a licensed representative in Type 1(dealing in securities), Type 6 (advising in corporate finance) and Type 7 (providing automated trading services) regulated activities accredited to SG Securities (HK) Limited.