

23 June 2011

Arrest warrant for Mainland lawyer issued in insider dealing case

The Court has issued an arrest warrant for Ms Pan Caihong, a Mainland lawyer, who did not appear at the Eastern Magistracy this morning to face nine counts of insider dealing charges commenced by the Securities and Futures Commission (SFC).

The SFC alleges that Great World Company Holdings Limited (Great World), a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong, engaged Pan to manage the announcement of a proposed placement of 80,000,000 shares of Great World. The proposed placement was announced on 27 July 2009 with Pan acting as spokesperson for the company at a press conference held the following day.

The SFC alleges that details of the proposed placement, which constituted about 16% of the total issued share capital of the company, including the fact that it was priced at a discount of about 14.5% to the prevailing market price, was confidential price sensitive information and that Pan was an insider before the placement was announced to the market. As well as handling the announcement and the press conference, Pan was also a shareholder in the company.

A few days prior to the announcement, on 23 July 2009, the SFC alleges Pan sold 1,652,000 Great World shares, avoiding a potential loss of about \$87,000.

The SFC told the court that Pan is a Mainland resident and was a frequent traveller to Hong Kong but she has not returned to Hong Kong since not long after the SFC's investigation commenced.

Upon the SFC's application, Mr David Dufton, Acting Principal Magistrate of the Eastern Magistracy, issued an arrest warrant for Pan.

End

Page last updated: 23 June 2011