

3 November 2005

TO THE BUSINESS EDITOR
FOR IMMEDIATE RELEASE

**SFC Prosecutes China Northern Enterprises Investment Fund Limited
and Yau Chung Hong for Contravening Part XV of
the Securities and Futures Ordinance**

The SFC has successfully prosecuted China Northern Enterprises Investment Fund Limited and its director Mr Yau Chung Hong under Part XV of the Securities and Futures Ordinance. China Northern was a substantial shareholder of Ningbo Yidong Electronic Company Limited at the material time.

China Northern pleaded guilty to four summonses relating to its failure to notify within the prescribed period the Stock Exchange of Hong Kong and Ningbo regarding its trading in Ningbo shares on 14 November 2003 and 25 November 2003 respectively, which caused China Northern ceased to have or to have a notifiable interest in Ningbo.

In addition, Yau, a director of China Northern, pleaded guilty to four summonses relating to his failure to ensure that China Northern made the above-mentioned disclosures.

Mr Ian Candy, a Magistrate at Eastern Magistracy, fined China Northern and Yau a total of \$12,000 and \$8,000 respectively and ordered Yau to pay investigation costs of \$17,000 to the SFC.

Ends

For enquiries, please contact Ernest Lau at 2840 9470 or Cindy Tam at 2842 7733.

CC\05PR261