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## Sun Hung Kai Investment Services and KGI Asia complete Minibond repurchases

2 Jul 2009

The Securities and Futures Commission (SFC) has been notified by Sun Hung Kai Investment Services Ltd (Sun Hung Kai) and KGI Asia Ltd (KGI) that they have completed their voluntary Lehman Brothers Minibond repurchase initiatives (Notes 1 and 2).

Sun Hung Kai and KGI separately undertook to repurchase outstanding Lehman Brothers Minibonds from eligible clients as part of the agreements with the SFC following the SFC's investigation into their sale of Lehman Brothers Minibonds to their clients (Note 3).

Pursuant to their agreements with the SFC, Sun Hung Kai and KGI offered to repurchase from their eligible clients all outstanding Lehman Brothers Minibonds subscribed for or purchased through the respective firm, at a price equal to the principal amount invested by those clients.

These agreements have helped 329 clients recover the full amount of their initial investments in Lehman Brothers Minibonds.

Both Sun Hung Kai and KGI are now the holders of the Lehman Brothers Minibonds repurchased from their clients and are entitled to receive a distribution of the underlying collateral held on behalf of Minibond holders. While there is uncertainty about the ultimate value of the collateral, this distribution is likely to defray a significant portion of the repurchase costs.

The SFC commends Sun Hung Kai and KGI for resolving matters expeditiously for their clients.

End

Notes :

1. Sun Hung Kai is licensed under the Securities and Futures Ordinance (SFO) to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities.
2. KGI is licensed under the SFO to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities.
3. Please see SFC press releases dated [22 January 2009](#) and [5 April 2009](#) for details about the SFC's resolution with Sun Hung Kai and KGI respectively.

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