

ANNOUNCEMENTS

The Cyprus Securities and Exchange Commission Board informs the investors that during its board meeting dated 01 February 2010, has decided to impose an administrative fine of €22.000 (twenty two thousand euro) to the company '**Veles International Ltd**' ('the Company') for the following:

1. Non compliance with articles 18(2)(j) and 28(1) of the Investment Services and Activities and Regulated Markets Law (the "Law") and paragraphs 18(1)(b) and (f) of DI144-2007-01 ("Directive 1") – clients' assets (funds) (fine €10.000)
2. Non compliance with articles 18(2)(j) and 28(1) of the Law and paragraph 20(1) of the Directive 1 – bank accounts for clients' funds (fine €5.000)
3. Non compliance with article 36(1)(b)(ii) of the Law and paragraph 10(1) of the DI144-2007-02 ("Directive 2") – information about financial instruments (fine €5.000)
4. Non compliance with article 41(5) of the Law – express confirmation from a prospective counterparty (fine €2.000)

To determine the amount of administrative fines the Commission has taken into consideration the following:

- The emphasis that the Commission gives in ensuring that the persons under the Law's provisions are in full compliance.
- The severity that the Commission gives in ensuring the accuracy of the assets of clients and in general their interests and rights against a CIF.
- The need to have appropriate organizational structures in order to minimize the risk of loss or the decline of the clients' assets.
- The need to deposit clients' finds in specific organizations which will promote the separation of the clients' assets from the CIF's assets as well as averting the use from the CIF and the protection from third parties in the case of CIF's liquidation.
- The seriousness regarding the timely and correct information that the CIF's clients should have regarding the possible risks that are derived from the financial instruments that they choose to make transactions.
- The emphasis for appropriate guidance of the CIF's clients so that they make well informed investment decisions.

Monday , 22 March 2010

XB0/yk