

Enforcement Actions

9 April 2002

SFC Prosecutes Ng Cheong Lam and Wong Chung Pak Thomas for Contravening the Securities (Disclosure of Interests) Ordinance

The Securities and Futures Commission (SFC) announced today that it had successfully prosecuted Ng Cheong Lam (Ng), a non-executive director of Gzitic Hualing Holdings Limited (Gzitic) and Wong Chung Pak Thomas (Wong), a director of Kwoon Chung Bus Holdings Limited (KCB) under the Securities (Disclosure of Interests) Ordinance (SDIO).

Ng pleaded guilty to a total of 16 summonses. The summonses relate to Ng's failure to report to Gzitic and Hong Kong Exchanges and Clearing Limited (HKEx) purchases of 60,000 Gzitic shares and sales of 100,000 Gzitic shares and delayed reporting of up to 20 days in respect of additional sales of 4,568,000 Gzitic shares during the period 8 June 2001 to 17 August 2001.

Wong pleaded guilty to a total of 4 summonses. The summonses relate to Wong's failure to make a timely disclosure of his deemed interest in KCB shares via a corporate substantial shareholder of KCB, Wong Family Holdings Limited, which bought 22,000 and 800,000 KCB shares on 8 March 2000 and 12 May 2000 respectively. Wong had a duty to disclose in his capacity as a director and substantial shareholder of KCB but failed to make such disclosure to KCB and HKEx until around 27 and 28 August 2001 respectively, a delay of over 12 months.

Ms Polly Lo, a Magistrate at Western Magistracy, fined Ng and Wong \$32,000 and \$20,000, and ordered them to pay costs of \$13,240 and \$15,135 to the SFC, respectively.

An spokesman for the SFC said that directors and substantial shareholders of listed companies are reminded of their obligations to disclose their dealings in such listed securities within five business days to both the HKEx and the listed company. This is essential in order to preserve a fair and well-informed market in which investors have full confidence.

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