

Enforcement Actions

24 June 2003

SFC Successfully Prosecutes Lai Ping Keung for Contravening the Securities (Disclosure of Interests) Ordinance

The SFC has successfully prosecuted Mr Lai Ping Keung, a former non-executive director of Welback Holdings Limited, under the Securities (Disclosure of Interests) Ordinance.

Lai today pleaded guilty to eight summonses relating to his failure to report to Hong Kong Exchanges and Clearing Limited and to Welback within five days, both of his holding of 3,180,000 shares and his wife's holding of 8,930,000 shares in WHL, upon his appointment as a director of Welback on 23 October 2001, and his subsequent trading of Welback shares on 20 November, and 6 and 13 December 2001.

Mr T S Jenkins, a Magistrate at Western Magistracy, fined Lai a total of \$20,000 and ordered him to pay costs of \$15,183 to the SFC.

An SFC spokesman reminds directors or chief executives of listed companies that they are under a duty to notify their companies and HKEx their interests in the companies irrespective of the percentage of their stakes. Reporting obligations also arise whenever there is any change in the interest of their shareholdings. The notification must state the number or amount, and class, of shares involved. In case of uncertainty on their disclosure requirements, they should seek professional advice.

Ends

Note:

1. Disclosure of interests requirements are now provided for under Part XV of the Securities and Futures Ordinance. The reporting period has been reduced from five to three business days.

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