

SFC obtains disqualification order against former executive director of Tack Fiori International Group Limited

9 Oct 2014

The Securities and Futures Commission (SFC) today obtained a disqualification order in the High Court against Mr Norman Ho Yik Kin, a former executive director of Tack Fat Group International Limited (Tack Fat), now known as Tack Fiori International Group Limited (Note 1).

Ho was disqualified from being a director or being involved in the management of any listed or unlisted corporation, without leave of the court, for a period of six years effective today.

In delivering his judgement, The Honourable Mr Justice Lam stated that Ho was acting irresponsibly and with marked indifference to his duty as a director of Tack Fat, therefore a disqualification order for six years would be appropriate.

The order was made after Ho admitted that he:

- failed to ensure that Tack Fat gave its shareholders all the information they might reasonably expect, and to comply with the disclosure requirements under the Listing Rules of the Stock Exchange of Hong Kong Limited;
- abdicated his responsibilities as a director of a publicly listed company;
- breached his duties as a director in failing to exercise reasonable care and diligence in the management of Tack Fat, to act in good faith and in the best interests of Tack Fat, and to implement a sound and prudent system of financial control so as to minimise the risk of misappropriation of company assets; and
- was partly responsible for the business or affairs of Tack Fat having been so conducted.

Ho admitted also that he signed attendance sheets annexed to minutes of board meetings in which substantial transactions were purportedly agreed when he did not attend any such meeting. These meetings supposedly ratified real transactions, including a deal with a money lender in which Tack Fat charged substantial assets which should have been disclosed to the shareholders but it was not, and another meeting in which Tack Fat approved a sham transaction involving an undisclosed connected party in an acquisition of 40% of a Cambodian timber company. Ho admitted that at least one of the two board meetings approving the acquisition did not take place. Ho also conceded he did not understand the duties of a director and was conducting the affairs of Tack Fat without exercising proper independent judgement in fulfilling his duties as an executive director of a listed company.

The SFC is also seeking similar orders against three other former executive directors of Tack Fat (Notes 2 & 3).

The SFC's Executive Director of Enforcement, Mr Mark Steward, said: "Directors cannot abdicate their duties to safeguard the company's interests and keep members properly informed. It is even worse if directors connive in records of meetings that have not taken place and in decisions that are detrimental to the company. The consequences will be serious as today's decision by the court demonstrates. "

End

Notes:

1. Tack Fat was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 29 April 2002. Tack Fat changed its name to Tack Fiori International Group Limited on 23 November 2011. Ho was an executive director of Tack Fat from 26 March 2001 until his resignation on 9 September 2008. Please see the SFC's press release dated [14 March 2014](#).
2. In the same proceedings, the SFC also seeks disqualification orders against three other former directors of Tack Fat, and an order that the former chairman repays the company or other entities as the court thinks fit \$26 million, being the subscription price of 40 million shares in Tack Fat allotted to his nominees, and/or accounts for any profits he has made through the trading of those shares.
3. Under section 214 of the Securities and Futures Ordinance, the court may, inter alia, make orders to disqualify a person from being a director or being involved, directly or indirectly, in the management of

any corporation for a period up to 15 years, if the person is found to be wholly or partly responsible for the company's affairs having been conducted in a manner, amongst other, involving defalcation, fraud, misfeasance or other misconduct towards it or its members.

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