

# Market Misconduct Tribunal sanctions CMBC Capital Holdings Limited and its former directors for late disclosure of inside information

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The Market Misconduct Tribunal (MMT) has found that CMBC Capital Holdings Limited (CMBC Capital) and six of its former directors failed to disclose inside information as soon as reasonably practicable under the Securities and Futures Ordinance (SFO) and imposed a 15-month disqualification order against the company's former Chief Executive Officer and Company Secretary Mr Philip Suen Yick Lun (Notes 1 to 4).

Philip Suen and CMBC Capital's former chairman Mr Paul Suen Cho Hung were also fined \$1.2 million and \$900,000, respectively, by the MMT in the proceedings brought by the Securities and Futures Commission (SFC).

The remaining four former directors involved in the case at the material time are Mr Lau King Hang, former Executive Director, and three former Independent Non-Executive Directors, Mr Huang Zhencheng, Mr Weng Yixiang and Mr Wong Kwok Tai.

CMBC Capital and the above-mentioned six former directors admitted that the information about significant improvement in the company's financial performance for the five months ended 31 August 2014 came to their knowledge on or around 13 October 2014. However, such information was not made public until 7 November 2014 when a positive profit alert was published in relation to the company's financial performance for the six months ended 30 September 2014.

Philip Suen and Paul Suen also admitted that their negligent conduct had resulted in CMBC Capital's breach of the requirements of the corporate disclosure regime (Note 5).

The MMT further ordered that:

- CMBC Capital and the six former directors to pay the SFC's investigation and legal costs, as well as the costs of the MMT proceedings; and

- the six former directors to attend an SFC-approved training programme on the corporate disclosure regime, directors' duties and corporate governance.

End

Notes:

- a. The proceedings were brought by the SFC under section 307I of the SFO against CMBC Capital and the six former directors.
- b. Listed corporations are abided by the law to disclose inside information that has come to their knowledge as soon as reasonably practicable. Timely disclosure of inside information is central to the orderly operation of the market and underpins the maintenance of a fair and informed market.
- c. CMBC Capital was known as Mission Capital Holdings Limited (Mission Capital) when the alleged breach of the statutory corporate disclosure requirements occurred.
- d. Mission Capital was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 12 March 1998.
- e. For more details, please see the SFC' s press release dated [18 December 2018](#).
- f. The MMT' s report will be available on its website ([www.mmt.gov.hk](http://www.mmt.gov.hk)).

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