

Enforcement Actions

22 October 2002

SFC Prosecutes Lam Kin Hing, Kenneth for Contravening the Securities (Disclosure of Interests) Ordinance

The SFC has successfully prosecuted Mr Lam Kin Hing, Kenneth, a director of Wah Fu International Holdings Limited [renamed Quam Limited on 14 November 2001] under the Securities (Disclosure of Interests) Ordinance (SDIO).

Lam was appointed director of Wah Fu on 17 September 2001 and on that day he had an interest in 42,322,467 shares of Wah Fu, representing 1.34% of the then issued share capital.

Pursuant to Section 28 of SDIO, Lam should have notified Hong Kong Exchanges and Clearing Limited (HKEx) of his interest in Wah Fu shares on or before 22 September 2001. But the HKEx only received Lam's written notification on 27 December 2001, a delay of 76 days.

Ms Polly Lo, a Magistrate at Western Magistracy, fined Lam \$10,000 and ordered him to pay costs of \$12,504 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.

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