

Enforcement Actions

15 April 2002

SFC Prosecutes Yung Kwok Kee Billy for Contravening the Securities (Disclosure of Interests) Ordinance

The Securities and Futures Commission (SFC) announces today that Yung Kwok Kee Billy (Yung), a director of Shell Electric Mfg. (Holdings) Limited (Shell Electric), has admitted to seven breaches of the Securities (Disclosure of Interests) Ordinance for failing to report in a timely manner the entering into of a contract for the purchase of an option or right to acquire 2,340,000 Shell Electric shares and also the purchase of 1,497,000 Shell Electric shares.

The options were entered into by Diamond Key Enterprises Inc. (Diamond Key), a company wholly owned by a trust of which Yung is one of the beneficiaries, on 17 January 2000 and 18 January 2000 and the purchases of Shell Electric shares were made by Diamond Key between 29 June 2000 and 3 July 2000. Yung failed to disclose the purchases of the option to both Shell Electric and Hong Kong Exchanges and Clearing Limited (HKEx) until 20 April 2000 and did not disclose the purchases of Shell Electric shares to both Shell Electric and HKEx until 1 August 2000.

Miss Ada Yim, a Magistrate at Western Magistracy, fined Yung a total of \$35,000 and ordered him to pay costs of \$34,771 to the SFC.

A spokesperson for the SFC reminds company directors that they have a duty to disclose to both the relevant company and HKEx within five business days any changes in their interests in shares. Such requirement not only applies to the entering into of options but also applies when they conduct such transactions through companies they own or trusts of which they are beneficiaries.

Page last updated: 30 April 2002