

Press Releases

17 September 2002

SFC Explains SDIO Action

The Securities and Futures Commission issues this statement today to explain why it prosecuted Yu Ming Investments Limited, its wholly owned subsidiary, Long Lead Investments Limited, and Peter Fung Yiu Fai, a director of both companies, under the Securities (Disclosure of Interests) Ordinance. Both companies were former corporate substantial shareholders of vLink Global Limited, currently known as Neo-Tech Global Limited.

All three defendants were acquitted at Western Magistracy today. An SFC spokesman said that while acknowledging the Magistrate's verdict, the SFC thought it was justified to bring this matter to court because, on the one hand, Fung indicated to the board of vLink Global on 29 December 2000 that the sale of 780 million shares in vLink Global held by Long Lead would take a month to complete, but, on the other hand, he signed notices for Yu Ming and Long Lead on 2 January 2001 that the two companies had already ceased to have any notifiable interest in the shares in vLink Global.

The facts of the case are that on 28 December 2000 Yu Ming signed an unconditional sales and purchase agreement with a third party buyer to dispose of 780 million shares in vLink Global that it held through Long Lead. It was a term of the agreement that the sale would be completed on 27 January 2001.

On 29 December 2000 Fung indicated in the board meeting of vLink Global that the sale would take a month to complete and Long Lead would remain as a substantial shareholder of vLink Global in the meantime. However, Yu Ming and Long Lead submitted Corporate Substantial Shareholder notices, both signed by Fung, to Hong Kong Exchanges and Clearing Limited on 2 January 2001 reporting that they had already ceased to have any notifiable interest in the shares in vLink Global.

The above facts were not in dispute and it was primarily on the basis of these facts that the SFC had taken action against Yu Ming, Long Lead and Fung for recklessly making a false statement to HKEx, an offence under the SDIO.

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