

Press Release

LCQ14: Cases of missing or uncontactable chairmen or main responsible officers of listed corporations

Wednesday, January 6, 2016

Following is a question by the Hon Christopher Cheung and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (January 6):

Question:

In November last year, a securities company listed on the Stock Exchange of Hong Kong published an announcement on the HKEExnews web site, stating that as the company was unable to reach the Chairman of its Board, who was also its Chief Executive Officer, it had appointed an executive director to temporarily discharge the duties of the said person who could not be reached. In this connection, will the Government inform this Council if it knows:

- (1) the number of cases in the past five years in which listed companies published announcements stating that their Chairmen or principal officers had gone missing or could not be reached, and the whereabouts of these persons before they had gone missing or before they could not be reached; among such cases, the number of those in which the companies concerned are still unable to reach the missing persons or the persons with whom they have lost contact;
- (2) whether the Securities and Futures Commission (SFC) has required that listed companies must publish an announcement within a certain period of time after their Chairmen or principal officers are found missing, or after they have lost contact with these persons; if SFC has, of the details; if not, whether SFC will conduct a review in this respect; and
- (3) the follow-up actions that SFC will normally take in relation to such cases to ensure that the interests of minority shareholders will not be prejudiced?

Reply:

President,

Our response to the three parts of the question is as follows:

- (1) Both the Securities and Futures Commission (SFC) and the Stock Exchange of Hong Kong (SEHK) review the announcements published by listed corporations on a daily basis. SFC and SEHK do not maintain the specific statistics on missing or uncontactable chairmen or main responsible officers of listed corporations.
- (2) and (3) Under Part XIVA of the Securities and Futures Ordinance (SFO) (Cap. 571), a listed corporation must disclose any inside information (Note) to the public as soon as reasonably practicable after such information has come to its knowledge, unless an exception applies. The facts and circumstances of individual cases, as well as the resultant impact on the relevant listed corporation, can be very different. Where an incident or development constitutes inside information as defined under Part XIVA of SFO, the listed corporation must disclose such information in accordance with the relevant requirements in Part XIVA of SFO. Where SFC considers that there appears to be a delay in disclosing inside information, it will take appropriate action to promote compliance and enforce the relevant disclosure requirements, which may include making enquiries of the relevant listed corporation, issuing a guidance letter or, in very serious cases, taking enforcement action.

Note: In relation to a listed corporation, inside information means specific information that (a) is about the corporation, its shareholders or officers or its listed securities or their derivatives; and (b) is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but would if generally known to them be likely to materially affect the price of the listed securities.

Ends