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Date of Search:

06-Jun-2018 12:17:54 (06-Jun-2018 04:17:36 GMT)

**Profile ID Number:** 4523880 **Record Type:** Person Gender: Male Deceased: No

Names

**Primary Name** 

**First Name** Surname **Middle Name** 

Lai Yin Chan

**Original Script Name** Language

Chinese - Simplified 陈礼贤 Chinese - Traditional 陳禮賢

Also Known As

Lai Yin Chan Tommy Chan Lai Yin Tommy

**Spelling Variation** 

Lixian Chen

**Country Details** 

Citizenship Not Known **Resident Of** Not Known

**Dates** 

Type

Date of Birth 1970 Date of Birth 1971

**List References** 

Name Since

**Other Official Lists** 

Securities & Futures Commission (HK) Enforcement Actions Securities & Futures Commission (HK) Current Disqualification Orders 11-Mar-2016 05-Apr-2017

# **Relatives/Close Associates**

	Name	Туре	Relation
<b>B</b> OOL	■ AM Mayer Holdings Limited	Entity	Ex-Associate
<b>1</b> 00L	Chiang, Jen-Chin	Person	Ex-Associate
<b>1</b> OOL	Chiu, Alvin	Person	Ex-Associate
<b>1</b> 00L	Hsiao, Ming-chih	Person	Ex-Associate
<b>1</b> 00L	Huang, Jui-hsiang	Person	Ex-Associate
<b>1</b> 00L	Lai, Yueh-hsing	Person	Ex-Associate
<b>1</b> 00L	Li, Deqiang	Person	Ex-Associate
<b>1</b> 00L	Lin, Sheng-bin	Person	Ex-Associate
<b>1</b> 00L	Lu, Wen-yi	Person	Ex-Associate
<b>⊥</b> OOL	Xue, Wenge	Person	Ex-Associate

# D DOW JONES WATCHLIST

Status: Active

Category 1: Special Interest Person (SIP)

Category 2: Other Official Lists

Profile Notes Source Language: English ▼ Translate (Beta)

## HONG KONG SECURITIES & FUTURES COMMISSION NOTES:

5 April 2017 - MMT sanctions Mayer Holdings Limited and its current and former senior management for late disclosure of inside information

The Market Misconduct Tribunal (MMT) today fined Mayer Holdings Limited (Mayer) and nine of its current and former senior executives a total of \$10.2 million after they were found to have failed to disclose inside information as soon as reasonably practicable as required under the Securities and Futures Ordinance (SFO) (Notes 1 & 2).

The MMT also imposed disqualification orders against the nine current and former senior executives of Mayer: former chairman and executive director, Mr Hsiao Ming-chih; former company secretary and financial controller, Mr Tommy Chan Lai Yin; former executive directors, Mr Lai Yueh-hsing, Mr Chiang Jen-Chin and Mr Xue Wenge; former independent non-executive directors, Mr Huang Jui-hsiang, Mr Lin Sheng-bin and Mr Alvin Chiu; and current non-executive director, Mr Li Deqiang.

Tommy Chan and Lai Yueh-hsing, who were fined \$1.5 million each, were disqualified by the MMT from being a director or being involved in the management of a listed corporation or any other specified corporation for 20 months (Notes 3 & 4).

## The MMT further ordered that:

- Mayer and the nine current and former senior executives pay the SFC's investigation and legal costs, as well as the costs of the MMT proceedings;
- Mayer appoint a SFC-approved independent professional adviser to review its procedures for compliance with the corporate disclosure regime; and
- the nine current and former senior executives attend a SFC-approved training programme on the corporate disclosure regime, directors' duties and corporate governance.

End

## Notes:

- 1. The statutory corporate disclosure laws under Part XIVA of the SFO came into effect on 1 January 2013. They require listed companies to disclose inside information to the public as soon as reasonably practicable and their officers to take all reasonable measures to ensure that proper safeguards exist to prevent the breach of the disclosure requirements.
- 2. For more details, please see the SFC's press releases dated 11 March 2016 and 7 February 2017.
- 3. MMT also recommended the Hong Kong Institute of Certified Public Accountants to take disciplinary action against Mayer's former company secretary and financial controller Tommy Chan.
- 4. Mayer and the other seven current and former executives were fined \$900,000 each. These seven current and former executives were disqualified by the MMT from being a director or being involved in the management of a

listed corporation or any other specified corporation for 12 months.

5. The MMT's report is available on its website (www.mmt.gov.hk).

7 Feb 2017 - Market Misconduct Tribunal finds Mayer Holdings Limited and its senior management culpable of late disclosure of inside information

The Market Misconduct Tribunal (MMT) today found that Mayer Holdings Limited (Mayer) and nine of its current and former senior executives failed to disclose inside information as soon as reasonably practicable as required under the Securities and Futures Ordinance (SFO) following proceedings brought by the Securities and Futures Commission (SFC) (Notes 1 & 2).

The current and former senior executives of Mayer who were found in breach of the corporate disclosure requirements are: former chairman and executive director, Mr Hsiao Ming-chih; former company secretary and financial controller, Mr Chan Lai Yin Tommy; former executive directors, Mr Lai Yueh-hsing, Mr Chiang Jen-Chin and Mr Xue Wenge; former independent non-executive directors, Mr Huang Jui-hsiang, Mr Lin Sheng-bin and Mr Alvin Chiu; and current non-executive director, Mr Li Deqiang.

The MMT was told that between April and August 2012, Mayer's auditors at the material time repeatedly communicated with the management about issues they identified while auditing Mayer's financial statements for the year ended 31 December 2011.

#### These issues included:

- the suspicious nature of the disposal of a wholly-owned subsidiary of Mayer, for HK\$15.5 million;
- Mayer did not control projects in Vietnam, which it bought for HK\$620 million, and their valuations appeared to have been inflated; and
- two subsidiaries of Mayer's jointly controlled entity had made substantial prepayments of US\$10 million and US\$4 million respectively without security to suppliers which appeared to be irrecoverable (collectively, outstanding audit issues).

In August 2012, the auditors indicated to Mayer that they would qualify their audit opinion for the financial statements if the outstanding audit issues were not resolved (potential qualified audit report). Mayer received a resignation letter from the auditors on 27 December 2012, but it only disclosed the auditors' resignation together with brief details of the outstanding audit issues on 23 January 2013. The MMT found that the auditors' resignation, the outstanding audit issues together with the potential qualified audit report and the US\$10 million prepayment to the supplier were specific information regarding Mayer, and price sensitive, in that investors would have viewed it negatively and it would have affected Mayer's share price, and it was not generally known to the public at the time.

The MMT will hold a hearing on 15 March 2017 on the orders to be imposed on Mayer and its current and former senior executives.

# End

## Notes

- 1. The MMT found that Mayer breached the disclosure requirement pursuant to section 307B(1) of the SFO. The MMT also found that the current and former senior executives had not taken all reasonable measures to ensure that proper safeguards exist to prevent the breach of the disclosure requirements under section 307G(2) of the SFO.
- 2. Listed corporations must by law 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.
- 3. For more details, please see the SFC's press release dated 11 March 2016.
- 4. The MMT's report is available on its website (www.mmt.gov.hk).
- 11 Mar 2016 SFC commences MMT proceedings against Mayer Holdings Limited and its senior management over late disclosure of inside information

The Securities and Futures Commission (SFC) has commenced proceedings in the Market Misconduct Tribunal (MMT) against Mayer Holdings Limited (Mayer) for failing to disclose price sensitive information as soon as reasonably practicable (Note 1).

The SFC has also commenced proceedings in the MMT against the company's 10 current and former senior executives for their reckless or negligent conduct causing the alleged breach by Mayer of the provisions of the statutory corporate disclosure regime.

They include Mayer's former chairman and executive director, Mr Hsiao Ming-chih; former company secretary and financial controller, Mr Chan Lai Yin Tommy; former executive directors, Mr Lai Yueh-hsing, Mr Chiang Jen-Chin, Mr Lu Wen-yi and Mr Xue Wenge; former independent non-executive directors, Mr Huang Jui-hsiang, Mr Lin Sheng-bin and Mr Alvin Chiu; and non-executive director, Mr Li Deqiang.

The SFC found that between April and August 2012, while auditing Mayer's financial statements for the year ended 31 December 2011, the then auditors of Mayer repeatedly communicated with Mayer's management about issues they identified including:

- the suspicious nature of the disposal of a wholly-owned subsidiary of Mayer, for HK\$15.5 million;
- Mayer did not control projects in Vietnam, which it bought for HK\$620 million, and their valuations appeared to have been inflated; and
- two subsidiaries of Mayer's jointly controlled entity had made substantial prepayments of US\$10 million and US\$4 million respectively without security to suppliers which appeared to be irrecoverable (collectively, outstanding audit issues).

On 23 August 2012, Mayer's then auditors indicated that they would qualify their audit opinion for the financial statements for the year ended 31 December 2011 if the outstanding audit issues were not resolved (potential qualified audit report).

On 27 December 2012, Mayer received a resignation letter from its then auditors. But, Mayer only disclosed the auditors' resignation together with brief details of the outstanding audit issues on 23 January 2013.

The SFC alleges that the auditors' resignation, the outstanding audit issues together with the potential qualified audit report and the US\$10 million prepayment to the supplier were specific information regarding Mayer, price sensitive and not generally known to the public at the material time. The information would also have been viewed negatively by the investors and were of sufficient gravity to affect the share price of Mayer.

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#### Notes:

- 1) Mayer was listed on the Main Board of The Stock Exchange of Hong Kong Limited (SEHK) in June 2004. Trading in the shares of Mayer has been suspended since 9 January 2012.
- 2) A copy of the Notice to the MMT, which contains the statement setting out the grounds for commencing the MMT proceedings, is available on the MMT's website (www.mmt.gov.hk).

#### Sources

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