

**PRIME INVESTMENTS HOLDINGS LTD :
FRIENDSHIP, REALLY, IS A WONDROUS THING !**

Friendship is, really, wonderful; and, it is wondrous thing.

Confucius, a 6th Century Chinese philosopher, claimed that there were 8 virtues that were to be fostered in every man.

Friendship was among those 8 virtues.

It seems very clear that the Chairlady of Prime Investments Holdings Ltd, the latest company to seek an entry to the ranks of the Main Board of The Stock Exchange of Hongkong Ltd, is a follower of this wonderful philosopher, who, perhaps, is the most important and most profound, recorded thinker to come out of China in its entire history, is a student of Confucius.

Because Chairlady Kathy Chiu Kam Hing has taken on board a man, whose own peers have determined that he had been negligent and lacking in professionalism in respect of his duty as an accountant.

He was fined \$HK250,000 for breaches of Chapter 50, The Professional Accountants Ordinance.

The man is the 78-year-old, Non-Executive Director of Prime Investments, Dr Peter Chan Po Fun.

According to Page 32 of the Placing Prospectus of Prime Investments, Dr Peter Chan Po Fun was accused and found lacking by The Hongkong Society of Accountants in July 1999.

he paragraphs in the Placing Prospectus, relating to this matter, state:

'In or about July 1999, the Hong Kong Society of Accountants (the "Society") received an undated anonymous letter of complaint in relation to a set of accounts prepared by Dr. Chan's firm (Peter Chan Po Fun and Company). The Society's Director of Professional Conduct started to look into the matter and correspondence then ensued between the Society and Dr. Chan relating to the aforementioned accounts.

'In or about February 2000, the Registrar of the Society (the "Registrar") submitted to the Council of the Society a formal complaint alleging that Dr. Chan had been negligent in the conduct of his profession in terms of Section 34(1)(a)(iv) of the Professional Accountants Ordinance Cap.50 (the "Ordinance"). Dr. Chan then sought leave to apply to the High Court of Hong Kong for the judicial review of two decisions of the Society, namely:

- (a) the decision of the Registrar to file a complaint; and*
- (b) the decision of the Council to refer the complaint to the Society's Disciplinary Committee ("Committee")*

under Constitutional and Administrative Law List No. 176 of 2000 ("HCAL 176/00"). However, the application for leave was refused by the Honourable Mr. Justice Hartmann.

'Pursuant to Section 41 of the Ordinance, Dr. Chan also appealed to the Court of Appeal of Hong Kong under Civil Appeal No.469 of 2000 ("CACV 469/00) against the decisions of the Committee that there had been negligence of a professional character and against the penalty imposed by the Committee on the basis that the amount of the financial penalty of HK\$250,000 was excessive.

The appeal was dismissed by the Court of Appeal. Dr. Chan applied for leave to appeal to the Court of Final Appeal and such application was dismissed on 25th April, 2001...

'In view of the experience of Dr. Chan in various fields, in particular, the auditing and accountancy area and his directorships of various listed companies in Hong Kong, the Directors believe that the Company will benefit greatly from Dr. Chan's sitting on the Board as a non-executive Director.'

Old-timers of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) will recall how, when there were 3 Recognised Stock Exchanges in the old Hongkong, Dr Peter Chan Po Fun established The Kowloon Stock Exchange Ltd – as the fourth such enterprise. This made it possible for certain companies, that were considered to be unqualified ... [CLICK TO ORDER FULL ARTICLE](#)

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