

11 August 2011

Broker convicted of illegal short selling

The Eastern Magistracy today convicted Mr Woo Sai Cheung, a licensed representative of Winsome Stock Company Limited (Winsome), of two counts of illegal short selling after he pleaded guilty (Note 1).

The Court fined Woo \$7,000 and ordered him to pay the Securities and Futures Commission's (SFC) investigation costs in the sum of \$13,931.

The SFC found that, on 18 August 2010 and 10 September 2010, Woo conducted intraday short selling in his girlfriend's account at Winsome, involving 20,000 shares in Infinity Chemical Holdings Company Limited and 6,000 shares in Chigo Holding Limited, when he did not have a presently exercisable and unconditional right to sell them and did not believe or have reasonable grounds to believe that he had such right. This is called naked short selling and it is illegal in Hong Kong.

End

Note:

1. Woo is licensed under the Securities and Futures Ordinance (SFO) to carry on Type 1 (dealing in securities) regulated activity and is accredited to Winsome Stock Company Limited.

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