

## Court orders re-trial on insider dealing case

10 Sep 2013

The Court of First Instance today allowed the appeal of Mr Simon Chui Wing Nin, a former assistant director of finance at CITIC Pacific Limited (CITIC Pacific), against his convictions for insider dealing and ordered a re-trial (Note 1).

Delivering the judgement in the court, the Honourable Mrs Justice V. Bokhary found that the trial Magistrate did not give adequate reasons in his decision when dismissing the defendant's arguments concerning evidence given by an expert witness about the price sensitivity of the information that the Securities and Futures Commission (SFC) alleges was in Chui's possession.

The SFC alleges that Chui was aware that CITIC Pacific had incurred material mark to market losses on several target redemption forward contracts entered into by CITIC Pacific to hedge its position in funding an Australian subsidiary and that this information constituted inside information.

Chui's lawyer had argued that the expert's opinion was deficient but the Magistrate dismissed the arguments. Mrs Justice Bokhary said that the arguments put forward by Chui's lawyer needed to be addressed by the Magistrate in giving his reasons because giving adequate reasons is a principle of paramount importance in the common law system.

For this reason, the court quashed the convictions of Chui, set aside his sentence and ordered a re-trial.

End

Notes:

1. In November 2012, Chui was found guilty after trial at the Eastern Magistrates' Court of two counts of insider dealing in CITIC Pacific shares. He was sentenced to 15 months imprisonment and fined a total of \$1,018,855. Chui subsequently lodged an appeal against the conviction. Please see the SFC's press releases on [26 October 2012](#) and [27 November 2012](#).
2. The Court of First Instance's judgement will be available on the [Judiciary's website](#).

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