

[Home](#) ▶ [News & announcements](#) ▶ [News](#) ▶ [Enforcement news](#)

# SFC seeks court orders against former chairman of Kong Sun Holdings Limited and China Sandi Holdings Limited

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The Securities and Futures Commission (SFC) has commenced legal proceedings in the Court of First Instance to seek disqualification and compensation orders against Mr Tse On Kin, former chairman and executive director of Kong Sun Holdings Limited (Kong Sun) and China Sandi Holdings Limited (China Sandi), for devising a scheme to conceal his interests in the companies' share placements in 2009 (Notes 1 & 2).

The SFC alleges that Tse, who was the chairman of the two companies at the material time, used a nominee company to subscribe for their placement shares, which were intended only for independent placees.

Tse also allegedly concealed his interests in the placement shares from the companies' boards and shareholders in order to obtain them at discounts for which he should not have been eligible.

As part of the proceedings, the SFC is seeking orders to compel Tse to account for the profit he made from the sale of the placement shares in Kong Sun and to pay compensation to Kong Sun for the secret profit he made (Note 3).

The first hearing will be held in the Court of First Instance on 26 May 2017.

End

Notes:

1. At the relevant time, China Sandi Holdings Limited was named China Grand Forestry Green Resources Group Limited.
2. The legal proceedings were commenced under section 214 of the Securities and Futures Ordinance, under which the court may make orders to disqualify a person from being a director or being involved, directly or indirectly, in the management of any corporation for up to 15 years. The court may also order a person to pay compensation, or order a company to bring proceedings in its own name against any person.
3. The SFC is not seeking compensation order in relation to the sale of the China Sandi placement as Tse did not profit from that.

Page last updated : 13 Feb 2017