

Two Prosecuted for Short-Selling

23 Jan 1997

The SFC announced today that it had successfully prosecuted Ms Chong Ping ("Chong") and Mr Lim Thian Hu ("Lim") on 21 January 1997 for short-selling securities on the Stock Exchange of Hong Kong Limited during the period 1 December 1995 to 30 April 1996. The short-selling was conducted through Mr James Mui Kwong Nok trading as Forlux Securities Company ("Forlux").

Chong and Lim pleaded guilty before Ms Polly Lo at Western Magistracy to a total of 20 summonses in relation to their short-selling of securities in contravention of section 80 of the Securities Ordinance. Section 80(1) of the Securities Ordinance prohibits the sale of securities when the seller does not have a presently exerciseable and unconditional right to sell. Chong was fined a total of \$4,000 whilst Lim was fined \$32,000. They were also ordered to pay costs totalling \$9,915 to the SFC.

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