

Forlux Securities Limited

7 May 1998

The Securities and Futures Commission today issued a restriction notice to Forlux Securities Ltd (FSL), a registered securities dealer and member of the Stock Exchange of Hong Kong Limited (SEHK), restricting FSL from dealing in its assets. The restriction notice was issued under section 40 of the Securities and Futures Commission Ordinance.

Mr Mui Kwong Nok, James, a 99% shareholder and dealing director of FSL, has been missing since last Saturday, and FSL has since ceased to carry on business. FSL applied for voluntary suspension of trading on the SEHK on 5 May and was declared a defaulter by the Hong Kong Securities Clearing Company Limited on 6 May for failing to fulfil settlement obligations of \$270,928.74.

As at 4 May 1998, FSL has stocks held with CCASS and other assets, which fall short of claims made on FSL by clients, as reflected in FSL's records.

FSL has an associated finance company, Forlux Finance Limited (FFL) which operates from the same premises and provide credit facilities to FSL's clients.

Based on unaudited accounting information from FSL and FFL, the companies do not appear to have sufficient financial resources to meet their obligations to clients.

A portion of the assets held by FSL include wasting assets, e.g. warrants which will be expiring in the course of time and rights issues which have to be subscribed to within a specified period, which will become worthless on expiry.

For the protection and preservation of the value of the assets of FSL and FFL, and to facilitate the orderly return of assets to clients, the SFC considers it expedient in the public interest for the companies to be wound up. The SFC intends to petition the High Court for the winding up of FSL and FFL under section 45 of the SFCO.

For further information, please contact Bill Weeks at 2840-9289 or Kathleen Ho at 2840-9231.

Page last updated : 1 Aug 2012