

SFC Prosecutes Li Kwok Wah for Short Selling

1 Mar 2007

The SFC has successfully prosecuted Mr Li Kwok Wah for short selling 16 derivative warrants.

An SFC investigation found that between 1 February and 31 March 2006, Li, whilst employed as a licensed representative of Hing Shing Securities Limited, sold 16 different derivative warrants through his own account with the clear knowledge on each occasion that he neither owned nor had any interest in such warrants to fulfill the sale orders, in contravention of section 170(1) of the SFO. Section 170(1) prohibits the sale of securities when the person does not have a presently exercisable and unconditional right to sell them.

Li pleaded guilty today before Mr Joseph To, a Magistrate at Eastern Magistracy, to 16 summonses in relation to his short selling of securities. Li was fined a total of \$64,000 and ordered to pay investigation costs of \$8,171 to the SFC.

Ends