

香港特別行政區政府
財經事務及庫務局
財經事務科
香港夏慤道十八號
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FINANCIAL SERVICES AND
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19 July 2010

Clerk to Panel
LegCo Panel on Financial Affairs
Legislative Council Secretariat
3/F Citibank Tower
3 Garden Road
Hong Kong

(Attn. : Ms. Anita Sit)


Dear Ms. Sit,

Panel on Financial Affairs

**Transactions of flats at 39 Conduit Road and disclosure of
information by the listed property developer**

Thank you for your letter of 5 July 2010. We have consulted the Securities and Futures Commission (“SFC”). It has the responsibility for enforcing the Securities and Futures Ordinance which includes provisions on the disclosure of false or misleading information by listed companies. Enclosed please find SFC’s reply at **Annex**. For issues falling outside this bureau and SFC’s purview, we have referred them to relevant bureau/department for their attention.

Yours sincerely,


(Bernard Lo)

for Secretary for Financial Services
and the Treasury

c.c. Secretary for Transport and Housing (Attn.: Mr. Eugene Fung)
Chief Executive, Hong Kong Monetary Authority
(Attn.: Mr. Andy Ching)
Chief Executive Officer, Securities and Futures Commission
(Attn.: Ms. Christine Kung)

AA/FS

AA/SFST

PAS(FS)1

PAS(FS)2

**SFC's reply to the questions set out in
the letter of the Panel on Financial Affairs dated 5 July 2010
in relation to transactions of flats at 39 Conduit Road**

Without making any comment on the particular allegations set out in the letter from Hon James To dated 18 June 2010 and noting that such allegations do not raise any new issues not already the subject of media speculation, the Securities and Futures Commission (SFC) responds in seriatim to the issues raised in paragraphs (a) to (d) as follows:

- (a) The SFC has responsibility for the enforcement of provisions in the Securities and Futures Ordinance (Cap 571) (SFO) concerning false or misleading statements and information, including the following provisions that create a criminal offence if a person:
- provides false or misleading information in compliance with a requirement to provide such information (the requirement must be one that arises under the SFO or under Parts II and XII of the Companies Ordinance (Cap 32)) (section 384). As a result of the combined application of section 384 and the Securities and Futures (Stock Market Listing) Rules, false or misleading statements or announcements to the Stock Exchange of Hong Kong by listed companies can be the subject of proceedings under section 384; or
 - disseminates false or misleading information that is likely to induce another person to subscribe, buy or sell securities or affect the price of securities (section 298).
- (b) In accordance with normal practice and policy, the SFC does not comment on individual cases.
- (c) The SFC is not the appropriate body to comment on trading in the real estate market. However, false information about sales of stock in trade, if material, may amount to contraventions of the

SFO (amongst other things). Subject to the particular circumstances, there may be contraventions of sections 298 and/or 384 of the SFO, as mentioned above.

- (d) In accordance with normal practice and policy, the SFC does not comment on individual cases.

Securities and Futures Commission
July 2010