

香港特別行政區政府
財經事務及庫務局
財經事務科
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來函檔號 YOUR REF.: CB1/PL/FA

5 January 2010

Clerk to Panel on Financial Affairs
Legislative Council Building
8 Jackson Road
Central
Hong Kong
(Attn: Mr Noel Sung)

Dear Mr Sung,

Panel on Financial Affairs

Follow-up to special meeting on 21 December 2009

Issues relating to the listing of Asian Citrus Holdings Limited

I refer to your letter of 22 December 2009 on the above subject. You requested information about actions against listed corporations for breaches/misconduct.

In relation to the enforcement actions that would be taken against the parties concerned for breaches/misconduct under the existing legislation (issue (a) in your letter), the Securities and Futures Commission advised that-

“Without making any comment on this particular set of circumstances, the Securities and Futures Ordinance (“SFO”) makes provision for both criminal and civil liability against a person who commits market misconduct (insider dealing,

market manipulation, market rigging, publishing false information to induce trading etc). Action that would be taken against the parties concerned depends on the facts and circumstances of each case, including the conduct of the parties and the nature of the breaches and misconduct in question. As these types of cases are very serious and can lead to jail terms, action is taken only after thorough investigation and assessment of the case.”

In relation to the channels for investors who had suffered losses to seek remedies from the parties concerned (issue (b) in your letter), according to sections 281 and 305 of the SFO, a person who has committed a relevant act in relation to market misconduct under the civil regime or a person who contravenes any provision which prohibits market misconduct under the criminal regime, shall be liable to pay compensation by way of damages to any other person for any pecuniary loss sustained by the other person as a result of the market misconduct or contravention, whether or not the loss arises from the other person having entered into a transaction or dealing at a price affected by the market misconduct or contravention. These provisions also specify that no person shall be liable to pay such compensation unless it is fair, just and reasonable in the circumstances of the case that he should be so liable.

Yours sincerely,



(Ms Jane Lee)

for Secretary for Financial Services and the Treasury

c.c. SFC (Attn: Mr Keith Lui)
HKEx (Attn: Mr Mark Dickens)