

IN THE MATTER OF THE LISTED SECURITIES OF  
CHINA GAS HOLDINGS LIMITED  
(STOCK CODE: 384)

MARKET MISCONDUCT TRIBUNAL PROCEEDINGS  
PURSUANT TO SECTION 252(2) AND SCHEDULE 9 OF THE  
SECURITIES AND FUTURES ORDINANCE, CAP. 571

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IN THE MATTER OF the Market  
Misconduct Tribunal Proceedings under  
section 252(2) and Orders made by the  
Market Misconduct Tribunal on 3 June  
2021 under section 257(1) of the Securities  
and Futures Ordinance, Cap. 571

and

IN THE MATTER OF section 264(1) of the  
Securities and Futures Ordinance, Cap. 571

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**BEFORE MR. KENNETH KWOK, SC**  
**CHAIRMAN OF THE MARKET MISCONDUCT TRIBUNAL**  
**ORDER**

WHEREAS by a written notice dated 14 July 2016 (“**Notice**”) issued by the Securities and Futures Commission (“**Commission**”) instituting proceedings under section 252(2) of the Securities and Futures Ordinance, Cap. 571 (“**Ordinance**”) requiring the Market Misconduct Tribunal (“**Tribunal**”) to conduct proceedings and determine:-

- (a) whether any market misconduct in the nature of insider dealing or otherwise has taken place;
- (b) the identity of any person who has engaged in the market misconduct found to have been perpetrated; and

- (c) the amount of any profit gained or loss avoided as a result of the market misconduct found to have been perpetrated

in relation to the securities of China Gas Holdings Limited (Stock Code: 384) (“**China Gas**”)

AND WHEREAS the Commission has specified the following person in the Notice:-

- (i) Cheng Chak Ngok (“**Specified Person**”)

UPON the Tribunal having come to the finding on 23 March 2017 that the Specified Person had not committed market misconduct by way of insider dealing in the shares of China Gas

AND UPON the Court of Appeal having made an Order on 10 September 2018 that the matter be remitted to a differently constituted Tribunal to determine solely the question of whether the Specified Person had dealt in the shares of China Gas (“**Second Proceedings**”)

AND UPON HEARING the Presenting Officer appointed by the Commission and Senior Counsel for the Specified Person in the Second Proceedings

AND UPON the Tribunal having come to the finding on 30 November 2020 that it is more probable than not that the Specified Person had dealt in the shares of China Gas, which led to the conclusion that market misconduct in the nature of insider dealing had taken place and that the person found to have engaged in the market misconduct was the Specified Person

AND UPON READING the written submissions on sanctions of the Commission filed with the Tribunal

**THE TRIBUNAL ORDERED that:-**

1. Pursuant to section 257(1)(a) of the Ordinance, without the leave of the Court of First Instance (“**Court**”), the Specified Person shall not be or continue to be a director, liquidator, or receiver or manager of the property or business, of a listed corporation or in any way, whether directly or indirectly, be concerned or take part in the management of a listed corporation for 54 months;
2. Pursuant to section 257(1)(b) of the Ordinance, the Specified Person shall not, without the leave of the Court, in Hong Kong, directly or indirectly, in any way acquire, dispose of or otherwise deal in any securities, futures contract or leveraged foreign exchange contract, or an interest in any securities, futures contract, leveraged foreign exchange contract or collective investment scheme for 54 months;
3. Pursuant to section 257(1)(c) of the Ordinance, the Specified Person shall not again perpetrate any conduct which constitutes the market misconduct of insider dealing;
4. Pursuant to section 257(1)(d) of the Ordinance, the Specified Person shall, by way of disgorgement of his profit gained as a result of his market misconduct, pay to the Government the sum of HK\$2,948,030.54;
5. Pursuant to section 257(1)(e) of the Ordinance, the Specified Person shall pay to the Government its costs and expenses in relation or incidental to the Second Proceedings, to be taxed if not agreed;
6. Pursuant to section 257(1)(f)(i) of the Ordinance, the Specified Person shall pay to the Commission its costs and expenses in relation or incidental to the Second Proceedings, with a Certificate for two Counsel, to be taxed if not agreed; and
7. Pursuant to section 257(1)(g) of the Ordinance, the reports of the Tribunal dated 30 November 2020 and 3 June 2021 shall be referred to the Hong Kong Institute of Certified Public Accountants with a recommendation that it takes such disciplinary action against the Specified Person as it deems appropriate.

**AND FURTHER ORDERED** that:-

8. Pursuant to section 264(2) of the Ordinance, the Secretary to the Tribunal do file the order made under section 257(1)(a) of the Ordinance with the Registrar of the Companies; and
9. Pursuant to section 264(1) of the Ordinance, written notice be given to the Registrar of the Court to register this Order in the Court.

Dated the 3<sup>rd</sup> day of June 2021.

*Kenneth Kwok*



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Mr. Kenneth Kwok, SC  
Chairman  
Market Misconduct Tribunal

HCMP 8 2 5/2021

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Securities and Futures Ordinance, Cap.  
571

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of the Securities and Futures  
Ordinance, Cap. 571

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**ORDER**

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Dated this 3<sup>rd</sup> day of June 2021  
Filed this 16<sup>th</sup> day of June 2021

**Securities and Futures Commission**

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Quarry Bay, Hong Kong  
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