

Enforcement Actions

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28 July 2004

SFC Successfully Prosecutes Han Sze Chao Richard & Super Glory International Ltd for Market Manipulation

The SFC has successfully prosecuted Mr Han Sze Chao Richard and Super Glory International Ltd, a company owned by Han, for intentionally creating a false market in the shares of Fortuna International Holdings Ltd.

Han today pleaded guilty on behalf of Super Glory and himself before Mr Anthony Yuen, a Magistrate at Eastern Magistracy. They were fined a total of \$50,000 and ordered to pay investigation costs of \$29,276 to the SFC.

In passing sentence, His worship Mr Yuen noted that market manipulation was a very serious offence and a custodial sentence would normally be imposed. In this instance he elected to fine Han and Super Glory having taken into account the guilty pleas, the mitigation that Han would face SFC's disciplinary action with a real possibility of losing his licence (Note 1), and that Han co-operated in the SFC's investigation.

The SFC investigation found that Han, who had an interest in a large number of Fortuna shares, had on numerous occasions between January and May 2002 caused small and/or single board lots to be placed to stabilize and/or peg the price of this stock just before the closing time of the market. This aggressive strategy had effectively pegged the price of Fortuna shares at around \$0.30 over an extended period.

An SFC spokesman said: "We welcome the court's view that market manipulation is a serious offence. Participating in or facilitating market manipulation by SFC licensees is unacceptable. Those involved can expect stern disciplinary action."

Ends

Note:

1. Han is a responsible officer of Lippo Securities Ltd.

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