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## Court dismisses SFC's appeal against fund manager's acquittal

27 May 2013

The Court of First Instance today dismissed an appeal by the Securities and Futures Commission (SFC) against the decision to acquit Mr Liang Jiang, a fund manager, on charges of false trading during the global financial crisis in 2008 (Note 1).

The court heard that Liang placed orders for Foundation China Opportunity Fund Ltd (the Fund) and his wholly owned company, Bridge Investment Advisors Ltd, to purchase shares of Shun Ho Resources Holdings Ltd (SHR) and Shun Ho Technology Holdings Ltd (SHT) on the last trading days of each month between June and December 2008.

The SFC alleged that these share acquisitions intentionally raised the closing prices of SHR and SHT on those days and thus "pumped up" the month-end net asset values of the Fund during that six-month period. Liang, on the other hand, said these trades were conducted for the purpose of rebalancing the Fund's portfolio rather than false trading.

The SFC appealed Liang's acquittal by the Eastern Magistracy. The Court of First Instance today dismissed the appeal (Note 2).

The SFC is studying today's judgment before deciding whether to lodge an appeal.

End

Notes:

1. The reasons for decision delivered by the Hon Madam Justice Beeson will be available on the Judiciary's website at [www.judiciary.gov.hk](http://www.judiciary.gov.hk).
2. Please see the SFC's press releases dated [8 December 2011](#) and [6 January 2012](#).

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