

MARKET MISCONDUCT TRIBUNAL
IN THE MATTER OF THE LISTED SECURITIES OF
CHINA VANGUARD GROUP LIMITED, NOW KNOWN AS
SINOPHARM TECH HOLDINGS LIMITED (STOCK CODE: 8156) AND
YUNBO DIGITAL SYNERGY GROUP LIMITED, NOW KNOWN AS
QUANTUM THINKING LIMITED (STOCK CODE: 8050)

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

Whereas it appears to the Securities and Futures Commission (the “**Commission**”) that market misconduct in the nature of false trading within the meaning of section 274 of the Securities and Futures Ordinance (Cap. 571) (the “**SFO**”) has or may have taken place in relation to the shares in China Vanguard Group Limited, now known as Sinopharm Tech Holdings Limited (stock code 8156) (“**CVG**”) and in relation to the shares in Yunbo Digital Synergy Group Limited, now known as Quantum Thinking Limited (stock code 8050) (“**YBD**”), both listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**SEHK**”), the Commission hereby institutes proceedings before the Market Misconduct Tribunal for it to determine:

- (1) Whether any market misconduct within the meaning of section 274 of the SFO has taken place;
- (2) The identity of any person who has engaged in the market misconduct found to have been perpetrated; and
- (3) The amounts of any profit gained and/or loss avoided, if any, as a result of the market misconduct found to have been perpetrated.

Person Suspected to Have Engaged in Market Misconduct

Jonathan Dominic Wai Chung Iu (“**Mr Iu**”)

Statement for Institution of Proceedings

1. Mr Iu was at all material times a director, a responsible officer, the chief investment officer, and the holder of 80% of the shares in Tarascon Capital Management (Hong Kong) Limited (“**Tarascon**”), a company incorporated in Hong Kong and engaged in the business of providing investment and portfolio management services.
2. Tarascon at the material times managed a hedge fund named Tarascon Asia Absolute Fund (Cayman) Limited (“**Fund**”), a company incorporated in the Cayman Islands as an exempted open-ended investment company. Mr Iu was responsible for managing and making investment decisions for the Fund. He was also the only person authorised by Tarascon to place orders to trade securities for the Fund.
3. The Fund at the material times had securities accounts at (amongst others) Guosen Securities (HK) Brokerage Company Limited, UBS Securities Asia Limited, and Morgan Stanley Hong Kong Securities Limited (the “**Fund’s Accounts**”).
4. Mr Iu’s mother, Victoria Iu (“**Ms Iu**”), at the material times had a securities account at Hang Seng Securities Limited (“**Ms Iu’s Account**”). Mr Iu had access to and was authorised by Ms Iu to operate Ms Iu’s Account.
5. Both the shares of CVG and YBD were at the material times listed on the Growth Enterprise Market of the SEHK, which was and is a relevant recognised market within the meaning of section 274 of the SFO.
6. Between 1 August 2014 and 30 September 2014, Mr Iu made or proposed to make offers to purchase and to sell shares in CVG and YBD for the Fund’s Accounts and for Ms Iu’s Account.

7. Pursuant to the offers:
 - 7.1. 23,465,000 CVG shares were purchased for the Fund's Accounts at an average price of HK\$3.657 per share. 35,210,000 CVG shares were sold at an average price of HK\$3.412 per share. The Fund's Accounts made a loss (based on the average purchase and sale prices, same for all figures of gains and losses below) of approximately HK\$2.68 million.
 - 7.2. 16,740,000 CVG shares were purchased for Ms Iu's Account at an average price of HK\$3.409 per share. 17,895,000 CVG shares were sold at an average price of HK\$3.702 per share. Ms Iu's Account made a gain of approximately HK\$5.54 million.
 - 7.3. 1,600,000 YBD shares were purchased for the Fund's Accounts at an average price of HK\$6.932 per share. 756,000 YBD shares were sold at an average price of HK\$6.68 per share. The Fund's Accounts made a loss of approximately HK\$2.67 million.
 - 7.4. 556,000 YBD shares were purchased for Ms Iu's Account at an average price of HK\$6.901 per share. 556,000 YBD shares were sold at an average price of HK\$7.038 per share. Ms Iu's Account made a gain of approximately HK\$76,040.
8. The offers to purchase or to sell shares for the Fund's Accounts or Ms Iu's Account (as the case may be) were frequently matched and executed against opposite offers also made by Mr Iu to sell or to purchase for Ms Iu's Account or the Fund's Accounts (as the case may be):

- 8.1. 15,805,000 CVG shares were purchased by the Fund's Accounts from Ms Iu's Account. 14,420,000 CVG shares were sold from the Fund's Accounts to Ms Iu's Account.
 - 8.2. 440,000 YBD shares were purchased by the Fund's Accounts from Ms Iu's Account. 100,000 YBD shares were sold from the Fund's Accounts to Ms Iu's Account.
9. By the offers:
 - 9.1. Mr Iu offered to purchase and sell shares in CVG at prices that were substantially the same as prices at which he had made or proposed to make, or knew that an associate of his (viz., the Fund or Ms Iu, as the case may be) had made or proposed to make, offers to sell or purchase the same or substantially the same number of them, within the meaning of section 274(5)(b) and (c) of the SFO.
 - 9.2. Mr Iu offered to purchase and sell shares in YBD at prices that were substantially the same as prices at which he had made or proposed to make, or knew that an associate of his (viz., the Fund or Ms Iu, as the case may be) had made or proposed to make, offers to sell or purchase the same or substantially the same number of them, within the meaning of section 274(5)(b) and (c) of the SFO.
10. Moreover, amongst the offers:
 - 10.1. Mr Iu often made offers to sell shares in CVG and YBD for Ms Iu's Account at minimum prices higher than the nominal prices of such shares in the market, and made offers to purchase shares at maximum prices lower than the nominal prices of such shares in the market.

- 10.2. In anticipation of or following such offers to sell shares for Ms Iu's Account, Mr Iu made offers to purchase shares for the Fund's Accounts which would be executed against other offers in the market with priority over the offers to sell shares for Ms Iu's Account. The nominal prices of the shares would be increased.
 - 10.3. In anticipation of or following such offers to purchase shares for Ms Iu's Account, Mr Iu made offers to sell shares for the Fund's Accounts which would be executed against other offers in the market with priority over the offers to purchase shares for Ms Iu's Account. The nominal prices of the shares would be decreased.
 - 10.4. As a result, the offers made or to be made to sell or purchase CVG or YBD shares for Ms Iu's Account could be and were executed at higher prices for selling and lower prices for purchasing.
11. By the offers and by reason of the matters aforesaid:
 - 11.1. Mr Iu offered to and/or did purchase and sell shares in CVG for the Fund's Accounts and Ms Iu's Account with the intention that, or being reckless as to whether, the offers and/or purchases and sales had or were likely to have, the effect of:
 - (a) Creating a false or misleading appearance of active trading in CVG shares, within the meaning of section 274(1)(a) of the SFO;
 - (b) Creating a false or misleading appearance with respect to the market for, or the price for dealings in, CVG shares, within the meaning of section 274(1)(b) of the SFO; and/or

- (c) Creating an artificial price for dealings in CVG shares, within the meaning of section 274(3) of the SFO.

11.2. Mr Iu offered to and/or did purchase and sell shares in YBD for the Fund's Accounts and Ms Iu's Account with the intention that, or being reckless as to whether, the offers and/or purchases and sales had or were likely to have, the effect of:

- (a) Creating a false or misleading appearance of active trading in YBD shares, within the meaning of section 274(1)(a) of the SFO;
- (b) Creating a false or misleading appearance with respect to the market for, or the price for dealings in, YBD shares, within the meaning of section 274(1)(b) of the SFO; and/or
- (c) Creating an artificial price for dealings in YBD shares, within the meaning of section 274(3) of the SFO.

12. In the premises, Mr Iu engaged in market misconduct, namely false trading within the meaning of section 274 of the SFO.

Dated this 5th day of August 2022.