

The SFC's Successful Prosecution for Market Manipulation

24 Aug 1999

The Securities and Futures Commission (SFC) announced today that it had successfully prosecuted Yung Wai Shun, Sidney (Yung) for manipulating the share price of the following stocks:

- (1) Ankor Group Limited;
- (2) Hong Kong Fortune Limited; and
- (3) Victory City International Holdings Limited

Yung pleaded guilty before Ms Pang IP Tsui-Yuk at Western Magistracy to a total of 3 summonses in relation to his employment of improper trading practices during the period April 1998 to June 1998 (the relevant period) and he was fined \$45,000 and ordered to pay costs of \$45,000 to the SFC.

An investigation launched by the SFC into unusual price movements of the said stocks during the relevant period found that Yung, who was an account executive of Fair Eagle Securities Limited, had purchased a large number of the shares of the said stocks on behalf of three discretionary clients. However, the share prices of these stocks had declined significantly after the purchases. In order to protect the value of these investments and arrest the decline in prices, Yung placed a series of higher bid and ask orders for the purchases and sales of the said stocks near the close of the market with the intention of creating a false and misleading appearance of active trading in the shares of the said stocks. Such trading practices were in contravention of section 135(1)(a) of the Securities Ordinance.

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