
Enforcement News

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16 July 2010

Retail investor sentenced for false trading

An investor, Mr Tsui Hon Wai, was today sentenced to 120 hours of community service after pleading guilty at the Eastern Magistracy to 22 charges of false trading contrary to the Securities and Futures Ordinance.

The court also ordered Tsui to pay the Securities and Futures Commission's (SFC) investigation costs of \$60,206.

An SFC investigation found that on various days between July and October 2008 through the securities accounts of his wife, his mother-in-law and himself, Tsui traded actively in the shares of Ching Hing (Holdings) Limited, Co-Prosperity Holdings Limited, Shanghai Fudan Microelectronics Company Limited and Zhejiang Yonglong Enterprises Company Limited.

There were a large number of matched trades and some wash sales among the securities accounts. The total turnover of the four securities dropped by over 50% on the days when Tsui did not trade (Note 1).

The SFC contended that Tsui intended to create a false appearance of active trading in the counter to attract buyers to the stock so he could sell out at better prices than otherwise he would have been able to achieve. In short, Tsui created a false market for the shares deceiving innocent buyers into thinking there was real liquidity for the shares when, in fact, there wasn't.

End

Note:

1. Matched trades are trades between parties who are acting in concert. A wash trade is a transaction that does not involve the change of beneficial ownership of the shares, i.e. a person buys from himself.

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散戶投資者因虛假交易被判社會服務令

2010年7月16日

散戶徐漢偉（男）今天在東區裁判法院承認22項從事虛假交易的控罪，違反《證券及期貨條例》，被判120小時社會服務令。

法院同時命令徐向證券及期貨事務監察委員會（證監會）繳付調查費60,206元。

證監會的調查發現，在2008年7月至10月期間的多個交易日，徐透過妻子、岳母及自己的證券帳戶，積極買賣正興（集團）有限公司、協盛協豐控股有限公司、Shanghai Fudan Microelectronics Company Limited及浙江永隆實業股份有限公司的股份。

有關證券帳戶進行了大量配對交易及虛售交易。在徐沒有進行上述交易的交易日，該四家公司股份的總成交額下跌逾50%（註 1）。

證監會指，徐意圖就有關股份營造交投活躍的虛假表象，以吸引投資者買入該等股份，使其得以較佳的價格沽售有關股份，而若徐當時沒有進行上述虛假交易，理應無法達致這些較佳價格。簡而言之，徐就有關股份製造虛假市場，欺騙不知情的投資者，使他們以為有關股份的流通量是真實的，但事實並非如此。

完

備註：

1. 配對交易為一致行動人士之間互相進行的交易。虛售交易是指不涉及股份實益擁有權轉變的交易，即進行交易人士買入自己的股份。

最後更新日期：2012年8月1日