

Enforcement Actions

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18 May 2005

Sentencing of Zou Yishang for Market Manipulation

On 11 April 2005, Mr Zou Yishang was convicted after trial before Mr Allan Wyeth, a Magistrate at Eastern Magistracy, for intentionally creating a false or misleading appearance of active trading in the shares of Dynamic Holdings Limited between 7 December 2001 and 18 January 2002, contrary to sections 135 and 139 of the Securities Ordinance. Sentencing for Zou was adjourned (Note 1).

Zou was sentenced today to four months' custodial sentence and ordered to pay investigation cost of \$56,924 to the SFC. During sentencing, Mr Wyeth commented that manipulation of the stock market in Hong Kong is a serious crime and a firm sentence must be given. Zou was allowed bail with conditions pending appeal.

The SFC investigation found that between 7 December 2001 and 18 January 2002, Zou had used trading accounts at four different brokerages to effect 40 purchase and sale transactions of Dynamic's shares, which involved no change in beneficial ownership.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "The SFC is gratified with the Magistrate's comments and the appropriate level of penalties given on conviction after trial. This should serve as a stern warning to everyone that market manipulation is a serious offence."

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Notes to Editor:

1. Please refer to [SFC press release dated 11 April 2005](#).

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