

Press Release

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Shanghai Land's ex-general manager and two others jailed for market manipulation and perverting justice

The former general manager of publicly listed Shanghai Land Holdings Limited (Shanghai Land) and two other persons, charged by the ICAC, were today (Monday) sentenced to jail terms at District Court for their respective roles in manipulating the trading in the shares of the listed company, and frustrating an investigation by the Securities and Futures Commission (SFC) in relation to the market manipulation.

Mo Yuk-ping, 43, former general manager of Shanghai Land, received a jail term of three and a half year, while her personal assistant, Chung Sau-ling, 32, was jailed for three years.

Wong Pui-fai, 45, a practicing solicitor, was sentenced to two years' imprisonment.

The court also ordered to confiscate over \$5.8 million surrendered by a number of "dummies" whose securities accounts had been used by Mo to trade in Shanghai Land shares.

In sentencing, Judge Alan Wright said custodial sentences were imposed in view of the seriousness of the offences, which had undermined the integrity of Hong Kong's financial system, being a matter not just of local but of international interest.

The judge added that the perversion offences of the defendants had also directly frustrated and undermined the authority of SFC.

Mo and Chung were convicted of a total of two counts of conspiracy to defraud.

Mo, Chung and Wong were found guilty on a total of three counts of conspiracy to pervert the course of public justice.

The court heard that between June 2002 and May 2003, a total of 43 accounts were opened at various brokerage firms under the instruction of Mo.

These accounts, opened in the names of friends and relatives of Mo and other associates, were used to trade in Shanghai Land shares on a daily basis to create a false appearance of active trading, and to keep the share price at \$0.58 after March 1, 2003.

The court heard that Mo, Chung, and two other co-defendants - Lam Kai-sing and Cheung Pak-yau - had conspired together and with Joanne Lui Ching-yee, Siu Yim-wah and Chau Ching-ngai to defraud such companies, firms and persons as might be induced to trade in shares in Shanghai Land.

They dishonestly created a false or misleading appearance of active trading in Shanghai Land on the Stock Exchange of Hong Kong Limited (Stock Exchange) during the above period.

Mo had also been charged with conspiring with Lui, Chau and other persons to defraud the Bank of China (Hong Kong) Limited (BOC).

The court heard that they had dishonestly created a false or misleading appearance with

respect to the price for dealing in shares in Shanghai Land on the Stock Exchange, for the purpose of maintaining the collateral value of the Shanghai Land shares Chau pledged with BOC for a loan of HK\$2,156 million in the taking over of imGO Limited (later renamed as Shanghai Land).

The court also heard that the defendants had conspired to pervert the course of public justice between April and May 2003, in relation to SFC's inquiry into the above market manipulation. One of the charges was related to Mo, Chung, Lam and Wong having conspired together with Lui in making false representation to the SFC that trades in Shanghai Land shares in the name of Lam were effected by him.

In another charge, Chung, Cheung and Wong had been alleged of having conspired with Lui to make false statements to the SFC in relation to the trades in the name of Cheung by similar means.

Chung had been further charged with conspiring with Lui and Siu to pervert the course of justice in relation to SFC's inquiry into the trades of Shanghai Land shares in the name of Siu, the court was told.

Lam and Cheung had pleaded guilty to charges of knowingly making a false statement to SFC in relation to the latter's investigation in respect of dealings in shares of Shanghai Land. They were earlier jailed for eight months and six months respectively.

SFC had rendered full assistance to the ICAC during its investigation. Expert evidence from a SFC officer was fully accepted by the court.

The prosecution was today represented by John Marray, counsel on fiat, and assisted by ICAC officer Choi Shu-keung.

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