

9 August 2001

Securities and Futures Commission Reprimands So Wai Yue

The Securities and Futures Commission (SFC) announced today that it had publicly reprimanded Ms So Wai Yue (Ms So), a registered securities dealer's representative of Sun Hung Kai Investment Services Limited, under the Securities Ordinance.

The matter upon which the reprimand is based arose on 30 December 1999. During the last 15 minutes of trading on 30 December 1999, Ms So accepted from a client 13 sequential bids each for either one or two board lots for shares of Fujian Group Limited (Fujian). When these bids were not met by sellers, they were withdrawn and followed by higher bids. The sequential bids and withdrawals resulted in Fujian's closing price rising by 37%. The Commission found that the nature and timing of these orders as well as the pattern of trading should have alerted Ms So to make enquiries of the client to ascertain that the purpose of the orders was to buy Fujian shares and not for a possibly improper or illegal purpose.

The SFC relies on registered persons to ensure that client orders are genuine so that the integrity of Hong Kong's securities markets is maintained and operated free from abuse.

The SFC views failures in this regard by registered persons as serious which would normally result in the imposition by it of a period of suspension.

In the present case the SFC considered that there were a number of extenuating circumstances which warrant only the issue of a public reprimand to Ms So, in particular:

- Ms So's conduct was the result of inexperience.
- Ms So's limited experience in the industry resulted in her failure to notice the unusual behaviour of her client and make inquiry.
- Ms So has not benefited from the trading.
- Ms So has agreed not to conduct any business for which she is registered without strict supervision for a period of 14 days.

Page last updated: 7 November 2001