
Enforcement News

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28 February 2008

SFC Starts First Criminal Prosecution for Insider Dealing

The SFC has commenced criminal proceedings against five defendants alleging they have committed insider dealing offences.

This is the first criminal prosecution under section 291 of the Securities and Futures Ordinance (SFO) since insider dealing was made a criminal offence in 2003 (Note 1).

The five defendants, Mr Ma Hon Yeung, Ms Lo Yuk Wah Ivy, Mr Ma Hon Kit Sammy, Ms Tso Kin Wah Cordelia and Mr Ma Chun Ho Ronald appeared at the Eastern Magistracy today on a total of 12 charges.

The case was adjourned until 17 March 2008 to enable an application to be made by the Department of Justice to transfer the case to the District Court. This case will then be the first indictable prosecution for an offence under the SFO (Note 2).

The charges concern alleged trading in the shares of Egana Jewellery & Pearls Limited ("Egana") prior to an announcement made to the market on 11 July 2006 about a proposal to privatise the company (Note 3).

The SFC alleges Ma Hon Yeung ("Ma") joined BNP Paribas Peregrine Capital Limited (now known as BNP Paribas Capital (Asia Pacific) Limited) ("BNP") as a Vice President on 1 June 2006. BNP was involved in advising Egana on the deal. The SFC alleges Ma knew about the proposed privatisation before it was announced.

Ma is alleged to have counselled or procured Lo Yuk Wah Ivy and Ma Hon Kit Sammy to trade in Egana shares. The SFC also alleges Lo Yuk Wah Ivy, Ma Hon Kit Sammy, Ma Chun Ho Ronald and Tso Kin Wah Cordelia traded in Egana shares having information through Ma's connection to Egana about the proposed

privatisation. The offences are alleged to have occurred between 1 June 2006 and 6 July 2006 (being the day before the announcement of the proposed privatisation).

The SFC will not make any further comments or disclose any further details about the case.

Ends

Notes :

1. The summonses were filed by the SFC on 31 January 2008 following an SFC investigation.

2. The SFC is only permitted to prosecute offences under the SFO in the Magistrates Court where lower penalties can be imposed. The Department of Justice is able to prosecute indictable offences under the SFO. The maximum penalty for insider dealing of 10 years jail and a fine of \$10 million can only be imposed upon conviction by indictment.

3. Egana was the jewellery division of EganaGoldpfeil (Holdings) Limited (“EganaGoldpfeil”) with its business principally in luxury and fashion branded jewellery. Egana was listed on the Stock Exchange of Hong Kong on 27 July 1998. Between 1 June 2006 and 6 July 2006, trading in Egana’s shares ranged between \$1.35 and \$1.61 with average daily turnover of 636,630. Trading in the shares of Egana and EganaGoldpfeil were suspended on 7 July 2006 pending an announcement. On 11 July 2006, Egana and EganaGoldpfeil made a joint announcement about a proposed privatisation of Egana. The proposal offered shareholders a choice of receiving \$1.80 per share or 1 share of EganaGoldpfeil for every 1.5 Egana shares or a combination of both. Following the announcement on 11 July 2006 the share price closed at \$1.84 with substantially increased turnover of 25 million shares. The privatisation proposal was approved by shareholders and by the Court and became effective on 23 October 2006. Egana was delisted on the following day.

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證監會展開首宗涉及內幕交易的刑事檢控

2008年2月28日

證監會對五名被告展開刑事法律程序，指他們涉嫌犯內幕交易罪行。

這是自2003年內幕交易列為刑事罪行以來，首宗根據《證券及期貨條例》第291條提出的刑事檢控（註1）。

五名被告馬漢揚（男）、盧鈺華（女）、馬漢傑（男）、曹建華（女）及馬俊濠（男）今天在東區裁判法院就合共12項控罪出庭應訊。

這宗案件的聆訊已押後至2008年3月17日，以便律政司申請將案件移交區域法院審理。屆時，本案將會是首宗可循公訴程序就《證券及期貨條例》所訂罪行而提出的檢控（註2）。

上述控罪涉及有人被指稱在聯洲珠寶有限公司("聯洲")私有化建議的公告於2006年7月11日向市場發表前，進行聯洲股份的交易（註3）。

證監會指稱，馬漢揚("馬")在2006年6月1日加入當時的法國巴黎百富勤融資有限公司（現稱法國巴黎融資(亞太)有限公司）("BNP")擔任副總裁，而BNP當時參與就這宗交易向聯洲提供意見。證監會指稱馬在私有化建議公告前已經知情。

馬被指曾慫恿或促使盧鈺華及馬漢傑進行聯洲股份的交易。證監會亦指稱盧鈺華、馬漢傑、馬俊濠及曹建華在透過馬與聯洲的聯繫而取得關於私有化建議的消息後，進行聯洲股份的交易。證監會指稱有關罪行在2006年6月1日至公布私有化建議前一天即同年的7月6日期間發生。

證監會不會就案件進一步評論或披露其他詳情。

完

備註：

1. 證監會在展開調查後，於2008年1月31日將傳票送交法院存檔。
2. 對於《證券及期貨條例》所訂罪行，證監會只可在裁判法院提出檢控，而裁判法院可施加的罰則較輕。律政司則可就《證券及期貨條例》所訂的可公訴罪行提出檢控，而只有經過循公訴程序定罪的過程，才能施加涉及內幕交易的最高刑罰，即監禁10年及罰款1,000萬元。
3. 聯洲是聯洲國際集團有限公司（"聯洲國際"）的珠寶部門，經營主要屬奢侈品及時尚品牌的珠寶業務。聯洲在1998年7月27日於香港聯交所上市。在2006年6月1日至2006年7月6日期間，聯洲的股價介乎1.35元至1.61元之間，平均每日交投量為636,630股。聯洲及聯洲國際的股份於2006年7月7日暫停買賣，以待發表公告。2006年7月11日，聯洲及聯洲國際就聯洲的私有化建議發表聯合公告。按照有關建議，股東可選擇按每股聯洲股份收取1.80元，或按每1.5股聯洲股份收取1股聯洲國際股份的方案，或選擇兩個方案的組合。2006年7月11日的公告刊發後，聯洲的股價收市報1.84元，交投量大增至25,000,000股。私有化建議獲股東及法院批准，並於2006年10月23日生效，聯洲翌日被除牌。

最後更新日期：2012年8月1日