

Enforcement Actions

22 July 2003

SFC Successfully Prosecutes Another Market Manipulator

The SFC has successfully prosecuted Mr Wong On Ching for manipulating the share price of Victory Group Limited.

Wong pleaded guilty before Mr Anthony Yuen, a Magistrate at Western Magistracy to one summons for intentionally creating a false market in respect of the Victory shares in September 2000. Wong was sentenced to three months' imprisonment suspended for one year, plus a fine of \$15,000. He was also ordered to pay costs of \$44,550 to the SFC.

The SFC investigation found that during the last few minutes before market close on 29 September 2000, Wong placed a total of 22 sell orders at a securities brokerage firm using a friend's account. At the same time, Wong placed a total of 24 buy orders through his personal account at another firm. 21 of these orders were matched, resulting in a rise of the closing price of Victory shares from \$0.177 to \$0.231. The proximity of the timing of these orders precluded the participation of other investors and by doing this Wong intentionally created a false market by misleading the market to believe that the share price was going up.

In passing the sentence, Mr Yuen commented that it was in the interest of the public that the securities market be real, genuine and free from manipulation. Therefore the court always took a serious view of these offences, he said.

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