

Enforcement Actions

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26 April 2006

SFC Prosecutes Wong Wei Yin Peter for Market Manipulation and Misleading the SFC

The SFC has successfully prosecuted Mr Wong Wei Yin Peter for creating a false or misleading appearance with respect to the price for the shares of SiS International Holdings Limited (SiS) and for providing misleading answers during his interviews with the SFC.

An SFC investigation found that, Wong, a former account executive of VC Brokerage Limited, had placed single-board-lot orders to purchase SiS shares at prices higher than the then prevailing market prices through a client account shortly before market close on 18 and 20 May 2004 and 9 and 15 June 2004. These single-board-lot orders pushed up the closing prices of SiS shares by 8% to 10%. On the respective following trading days, Wong placed orders to sell SiS shares at prices higher than the previous days' closing prices via that client's account. By placing the single-board-lot orders in this way, Wong's intention was not to buy the shares but to create a false or misleading appearance with respect to the share price of SiS. His real intention was to dispose of the shares at the artificial higher prices on each of the following days.

The investigation further found that Wong had misled SFC investigators on two occasions during which he claimed that he had received client instructions to trade SiS shares and that all of the trades did not belong to him. However, it was Wong himself who made the trading decisions and placed the orders.

Today Wong pleaded guilty to three summonses before Mr William Lam, a Magistrate at Eastern Magistracy, for intentionally creating a false or misleading appearance with respect to the price of SiS shares and for misleading the SFC. Wong was fined a total of \$28,000 and ordered to pay investigation costs of \$8,459 to the SFC.

In passing the sentence, the Magistrate pointed out that market manipulation is a serious offence because it would affect Hong Kong's reputation as an international

financial centre. He further emphasised that had Wong been convicted after trial, he would have been sent to jail.

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Page last updated: 26 April 2006

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