

## Enforcement Actions

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18 February 2002

### **SFC Successfully Prosecutes Lau Kwai Ngor**

The Securities and Futures Commission (SFC) announced that it had successfully prosecuted Lau Kwai Ngor (Lau) for intentionally creating a false market in the share price of Perfectech International Holdings Limited (Perfectech). Lau pleaded guilty before Mr Symon Wong, a Magistrate at Western Magistracy, to one summons of creating a false market in the shares of Perfectech during the period 3 January 2000 to 18 February 2000 (the relevant period). Lau was fined \$30,000 and ordered to pay costs of \$67,424 to the SFC.

The SFC investigation found that Lau is a substantial shareholder of Perfectech and is the wife of the chairman and managing director of Perfectech. Lau arranged and/or instructed a group of 5 persons to open a total of 8 accounts at different brokers to trade in the shares of Perfectech during the relevant period. All trades conducted by the 5 persons during the relevant period were instructed and funded by Lau.

In addition, Lau also traded in Perfectech shares in the name of Mime Limited. Trading by the 5 persons and Mime Limited dominated the market of Perfectech shares during the relevant period and had the effect of creating a false and misleading appearance of active trading in the shares of Perfectech. In acting as she did, Lau contravened s.135(1)(a) and 139 of the Securities Ordinance.

During sentencing, the Magistrate commented that Lau had committed a serious offence and had it not been for Lau's guilty plea and had Lau been convicted after trial, the likely penalty would have been an immediate custodial sentence. An SFC spokesman said that the Commission welcomed the Magistrate's comments on the appropriate level of penalties on conviction after trial which should serve as a warning to everyone that market manipulation was a serious criminal offence.

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