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## Enforcement News

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7 December 2007

### Market Manipulator Jailed

The SFC today successfully prosecuted Mr Ho Lai on 14 charges of market manipulation. Ho was sentenced by Madam Adriana Tse, a Magistrate at Eastern Magistracy, to a term of imprisonment of six months to be served immediately. This is the first time the Court has imposed an immediate custodial sentence on a person for an offence under the Securities and Futures Ordinance (Note 1).

The SFC alleged that Ho, a former licensed representative of Tang Ping Kong Limited, manipulated markets for both shares and warrants in five securities between May and December 2006.

During this period, Ho placed 105 single board lot orders on 14 separate days creating false volatility and wild swings in the price of the five shares and warrants (Note 2). For example in one warrant, the difference between the highest and lowest prices of his trades represented a swing of more than 200%.

On all of these occasions, he earned a total profit of \$98,952 which was earned at the expense of the investing public.

Ho admitted that he intended to manipulate the market by implementing this illegal trading strategy.

Mr Mark Steward, the SFC's Executive Director of Enforcement, said "It is clear Ho would have received a longer jail sentence if he had not admitted his misconduct today. Today's result sends a strong warning to any would-be manipulator that the threat of jail is not an idle one. The SFC will remain vigilant in protecting the investing public from misconduct like this."

Ends

## Notes:

1. Ho was also ordered to pay investigation costs of \$11,868 to the SFC.
2. Ho traded in two warrants, namely Citic 21 CN Co Ltd W0609 which he traded on 19 May 2006, 23 May 2006 and 26 May 2006 and QPL International holdings Ltd W0710 which he traded on 16 June 2006, 19 June 2006, 20 June 2006, 27 June 2006, 29 June 2006, 5 July 2006 and 6 July 2006. Ho also traded in three shares, namely Panorama International Holdings Ltd which he traded on 26 October 2006 and 27 October 2006, Armitage Technology Holdings Ltd which he traded on 10 November 2006 and ITE Holdings Ltd which he traded on 8 December 2006.

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