

Enforcement Actions

25 April 2003

SFC Suspends Ng Wai Chi, Iris for Misconduct in a Market Manipulation Case
The SFC has suspended the registration of Ms Ng Wai Chi, Iris, under the Securities Ordinance for one week. Ng was at the time of the misconduct a securities dealer's representative of Worldsec International Limited.

The suspension stemmed from an inquiry into market manipulation of Gay Giano International Group Limited shares from June to September 2000. (Note 1)

The SFC found that Ng had:

- failed to inquire into the trades placed by a third party purportedly on behalf of the account of one of her clients after she was told by her supervisor to pay more attention to the trading in the account; and
- facilitated the third party's trading beyond the account's limit on 18 September 2000.

The SFC concludes that Ng has been guilty of misconduct and her fitness and propriety has been called into question.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "In conducting business a licensee has a duty to help maintain market integrity. A licensee should be on the constant watch for signs of possible market manipulation. In the market manipulation of the Gay Giano stock, these signs included heavy trading in this single stock by the client, conducting transactions by manual cross trades and the use of a third party to place orders. Ng's acceptance of trading beyond credit limits and failure to question suspicious trading showed no regard to the integrity of the market and deserves a period of suspension."

Ng is a licensed representative of UOB Kay Hian (Hong Kong) Limited.

Ends

Notes :

1. Mr Wong Wing Keung, Raymond, and Mr Lee Sing Wai, Stephen, were convicted of market manipulation in the District Court in June 2002. The former Chairman of Gay Giano, Mr Cheung Sing Chi and his brother Mr Cheung For Sang, were convicted of conspiracy to defraud investors by market manipulation on 22 April 2003.
2. The third party was Wong Wing Keung, Raymond.

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