

## SFC Bans and Fines Ho Lai

8 Apr 2008

The SFC has banned Mr Ho Lai for life from re-entering the industry for market manipulation (Note 1) and fined him \$98,952 as disgorgement of his profits from his manipulative activities.

This disciplinary action follows Ho's conviction of market manipulation in December 2007 at the Eastern Magistracy (Note 2).

The SFC found that Ho, who was employed as a representative of Tang Ping Kong Limited, had adopted a "scaffolding" strategy to create a false or misleading appearance of active trading for both shares and warrants in five securities between May and December 2006, contrary to section 295 of the Securities and Futures Ordinance (Note 3).

Ho was also found to have short sold two of the securities on at least five occasions between June and December 2006 (Note 4).

Ends

Notes :

1. Ho was licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) regulated activity. His licence was revoked in May 2007 and he is currently not a licensed person.
2. Ho received an immediate jail sentence of six months and was ordered to pay investigation costs of \$11,868 for market manipulation. Please see [SFC press release](#) dated 7 December 2007 for details.
3. "Scaffolding", the English translation of the Chinese term "搭棚", is a form of market manipulation. The perpetrators attempt to distort the picture of the demand and supply of a stock by inputting a large number of orders without the intention of executing them. These false orders are usually cancelled before they are matched. Scaffolding misleads investors and damages market integrity.
4. As part of the plea bargain between the SFC and Ho, the SFC offered no evidence against Ho in respect of the five short selling charges.

Page last updated : 1 Aug 2012