

Enforcement Actions

29 July 2003

SFC Successfully Prosecutes Another Market Manipulator

The SFC has successfully prosecuted Mr Wang Changhua for manipulating the share price of SEEC Media Group Limited (formerly known as Sino Infotech Holdings Limited).

Wang pleaded guilty today before Mr Anthony Yuen, acting Principal Magistrate at Western Magistracy, to one summons for intentionally creating a false market in respect of the shares of SEEC Media Group in February and March 2002. Wang was sentenced to two months' imprisonment suspended for one year, plus a fine of \$5,000 and ordered to pay costs of \$18,217 to the SFC.

The SFC investigation found that during the last few minutes before market close on a few days in February and March 2002, Wang placed a total of seven small board-lot orders to buy 2,000 to 4,000 shares of SEEC Media Group at prices six to eight spreads higher than the then prevailing market price. These orders though not executed had the effect of pushing up the closing price of SEEC Media Group. By doing this Wang intentionally created a false market by misleading the market to believe that the share price was going up. His aim was to sell the SEEC Media Group shares on hand at higher prices on the next day.

In passing the sentence, Mr Yuen commented that the offence was a serious matter as Wang's action had created a false perception by the market that the share price was going up.

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