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## SFC Suspends Chan Ho Yin for Various Breaches of the Code of Conduct

15 Jun 2006

The SFC has suspended Mr Chan Ho Yin for 15 months from 14 June 2006 to 13 September 2007 for manipulating the price of certain shares, impersonating a client to place orders with another brokerage, and failing to obtain written authorisation from clients to conduct discretionary transactions in their accounts in breach of the Code of Conduct (Notes 1 and 2).

An SFC investigation revealed that Chan, a licensed representative of Celestial Securities Limited, had conspired with others to conduct trading activities by operating two client accounts on 4, 5 and 6 December 2002 with the intention to raise the share price of Akup International Holding Limited (Note 3). Chan used the two accounts to dominate the buy side by sweeping the existing ask orders just a few minutes before market close. The aggressive buying raised the share price of Akup to close at 12.5%, 14.5% and 11.1% higher than the nominal prices as at 15:57 hours on those three days respectively.

Chan operated the two client accounts without written authorisation and failed to keep proper dealing records on those three days. Chan was also found to have impersonated a person residing in Taiwan to place orders for that person's account at REXCAPITAL Securities Limited in late 2002.

The SFC concludes that Chan has been guilty of misconduct and his fitness and properness has been seriously called into question, and decides to suspend his licence.

Mr Eugène Goyne, an SFC Senior Director of Enforcement, said: "Market manipulation is a serious criminal offence which could result in an immediate custodial sentence. Licensees who knowingly render assistance to market manipulators, or participate in or orchestrate the manipulative activities will also face long suspensions, heavy disciplinary fines or even revocation of their licences."

Ends

Notes:

1. Chan is licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) and Type 2 (dealing in future contracts) regulated activities. He is a representative accredited to Celestial Securities Limited and Celestial Commodities Limited.
2. The Code of Conduct for Persons Registered with the Securities and Futures Commission came into effect in April 2001.
3. The others who conspired with Chan cannot be located or are outside Hong Kong and beyond the SFC's jurisdiction.

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