
Enforcement News

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5 March 2007

SFC Suspends Chan Yuk Chun

The SFC has suspended Ms Chan Yuk Chun for three months from 5 March to 4 June 2007 (Note 1).

An SFC investigation found that Chan had, shortly before market close between 28 June and 8 July 2004, placed a series of orders for a client to buy the shares of Artel Solutions Group Holdings Limited at prices higher than the then prevailing market price. The client had no genuine intention to acquire any Artel shares at such prices but only intended to raise the closing prices of Artel shares through these manipulative orders. The client was later convicted of creating a false or misleading appearance with respect to the market for Artel shares (Note 2). Chan should have known that her client's orders were manipulative and, by placing the orders for her client, she had facilitated the client's manipulation and undermined market integrity.

In determining the penalty, the SFC has taken into account Chan's co-operation by being willing to act as an SFC witness in the prosecution of her client, which reduced the suspension the SFC would have otherwise imposed.

Mr Mark Steward, SFC's Executive Director of Enforcement, said: "Offenders who help the SFC tackle instigators and masterminds will receive significant and real credit for their co-operation. Chan is guilty of misconduct, but she also deserves credit for her co-operation and assistance to the SFC." (Note 3)

Ends

Notes:

1. Chan is a representative licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) regulated activity. She left China Southern

Securities (Hong Kong) Limited in November 2006 and is currently not accredited to any licensed corporation.

2. On 29 December 2005, her client pleaded guilty to creating a false or misleading appearance with respect to the market for Artel shares at the Eastern Magistracy, and was fined \$10,000 and sentenced to four months' imprisonment to be suspended for two years. Please see [SFC press release dated 29 December 2005](#) for details.

3. Please refer to the [“Guidance Note on Cooperation with the SFC”](#) (March 2006).

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