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## Enforcement Actions

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24 March 2005

### **SFC Suspends Ho Kwan Kit for Accepting Suspicious Orders**

The SFC has suspended the licence of Mr Ho Kwan Kit, a licensed representative of Sun Hung Kai Investment Services Limited and Sun Hung Kai Commodities Limited, for two months, effective from 24 March 2005 to 23 May 2005 (Note 1).

On 28 February 2003, Ho accepted suspicious bid orders from a client for shares in Everest International Investments Ltd. The stock had been trading throughout the day at about 10 cents. Between 3:43 pm and 3:48 pm, Ho input in quick succession ten bid orders for the client, each for one board lot, and each at 8 spreads above the previous bid price. As a result of these orders, the nominal price of the stock went up to 19.3 cents. The client had made clear to Ho that her intention was to raise the stock's price to 20 cents.

The SFC concludes that Ho's fitness and properness has been called into question and decides to suspend his licence for two months. In deciding on the level of penalty, the SFC has taken into account the following factors:

- Ho co-operated with the inquiries and accepts full responsibility for his actions
- Ho has shown contrition for his misconduct

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "When licensees receive suspicious orders, they must not accept them unless they are satisfied after making reasonable enquiries that the orders are proper and legal. Licensees failing to have regard for market integrity are likely to face tough sanctions."

Ends

Notes to Editor:

1. Ho is a licensee in Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the Securities and Futures Ordinance.

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