

**THE SOUTH CHINA GROUP OF COMPANIES:  
ANOTHER RIGHT CROSS ON THIS COMPANY'S NOSE**

Prima facie, The Securities and Futures Commission (SFC) is continuing to come down hard on people and corporate entities, licensed by it, when it is discovered and proved that they failed, miserably, in their duties of fidelity to the investing public of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), directly or indirectly.

Last week, The Securities and Futures Appeals Tribunal announced that it had confirmed an SFC 'disciplinary sanction to fine a former representative of [\*South China Capital Ltd\*](#) ([\(\)](#)), a wholly owned subsidiary of South China Financial Holdings Ltd ([\(\)](#)) (Code 619, Main Board, The Stock Exchange of Hongkong Ltd)] *for lapses in duty when acting on behalf of his then employer to sponsor a listing applicant ...*'.

The SFC, in explaining the matter more fully, said that the case arose, following an investigation into an application for listing on The Growth Enterprise Market (**The GEM**) of The Stock Exchange of Hongkong Ltd, 'of a Mainland company known as Sobao Group Ltd ([\(\)](#)). The listing application, which was sponsored by South China (South China Capital Ltd), ultimately was rejected by the Stock Exchange of Hong Kong (SEHK).'

The SFC named Messrs Eric Chan Shun Kuen ([\(\)](#)) and Robin Jonathan Gibbs Fox, both of whom worked on the sponsorship of Sobao Group Ltd, at the time.

With regard to Mr Eric Chan Shun Kuen, the SFC said that he was the Assistant Supervisor of the application for listing and that Mr Robin Jonathan Gibbs Fox signed off some of South China's replies to enquiries of The Stock Exchange of Hongkong Ltd about the listing application when Mr Eric Chan Shun Kuen was unavailable.

The findings of the SFC were:

1. That Messrs Mr Eric Chan Shun Kuen and Robin Jonathan Gibbs Fox had failed to ensure that representations, made on behalf of the listing applicant, Sobao Group Ltd, to The Stock Exchange of Hongkong Ltd, were true, accurate, complete and not misleading in any material aspect;
2. That Messrs Mr Eric Chan Shun Kuen and Robin Jonathan Gibbs Fox had failed to carry out adequate due diligence on the listing applicant; and,
3. That Messrs Mr Eric Chan Shun Kuen and Robin Jonathan Gibbs Fox had failed to supervise, properly, the listing applicant and the sponsorship team while the role of Mr Robin Jonathan Gibbs Fox and responsibilities were subsidiary to those of Mr Eric Chan Shun Kuen.

Mr Eric Chan Shun Kuen was fined \$HK200,000 and Mr Robin Jonathan Gibbs Fox was fined \$HK40,000.

Mr Eric Chan Shun Kuen is, no longer, accredited to any licensed corporation in the HKSAR although, at the time of his misconduct, he was licensed under The Securities and Futures Ordinance to advise on

securities and to advise on corporate finance.

As for Mr Robin Jonathan Gibbs Fox, he is accredited to dealing in securities and futures contracts and to advise on corporate finance.

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