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Ex-staff of securities firm ordered to serve three years in jail for accepting \$1.1m bribes

10 May 2013

A former investment representative of a securities firm, charged by the ICAC, was today (Friday) ordered by the Court of Appeal (CA) to serve three years in jail for accepting over \$1.1 million in bribes from a businessman after the Department of Justice (DoJ) sought a review of his sentence.

Andy Pau Chin-hung, 37, formerly employed by KGI Hong Kong Limited (KGI Hong Kong), was earlier found guilty at the District Court of two counts of agent accepting an advantage, contrary to Section 9(1)(a) of the Prevention of Bribery Ordinance, and sentenced to perform 220 hours of community service and pay over \$1.1 million as restitution to KGI Hong Kong.

The DoJ subsequently made an application for a review of Pau's sentence.

In allowing the DoJ's application, Mr Justice Peter Cheung Chak-yau of the CA remarked that meting out a non-custodial sentence to Pau convicted of bribery offences was wrong in principle.

Meanwhile, the CA also dismissed Pau's application for leave to appeal against his conviction.

The applications of the DoJ and Pau were today heard by Mr Justice Cheung of the CA, and Madam Justice Barnes and Mr Justice Derek Pang Wai-cheung, both judges of the Court of First Instance.

The court heard that at the material times, Pau was employed by KGI Hong Kong as an investment representative working for KGI Asia Limited (KGI Asia). He was responsible for opening securities accounts and conducting stock trading for clients of KGI Asia.

In early 2007, Pau came to know Derrick Luu Hung-viet, a businessman, through the introduction of Johnny Tang Ka-siu, with whom Pau had become acquainted when he worked in the insurance sector five or six years earlier.

Tang told Pau that Luu wanted to sell his shares of Warderly International Holdings Limited (Warderly) through the securities accounts of other persons in KGI Hong Kong.

Pau then helped his mother-in-law, a mainlander and a company associated with Luu open securities accounts with KGI Asia.

The court heard that between April 3 and 4, 2007, Pau sold 30 million shares of Warderly for Luu through the securities accounts of the mainlander and the company.

After receiving \$13 million from the sale of the shares, Tang caused over \$650,000 to be given to Pau.

In mid April 2007, Pau used the securities account of his mother-in-law to sell another 20 million shares of Warderly on behalf of Luu for over \$9.3 million.

Out of the sales proceeds, five per cent or over \$460,000 was given to Pau, the court was told.

The prosecution was today represented by Deputy Director of Public Prosecutions William Tam and Senior Public Prosecutor Sheroy Tam, assisted by ICAC officer Ten Cheng.

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