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## SFC Suspends Registration of Chu King Kau

4 Sep 1997

The SFC announced today that it had suspended the registration of Mr Chu King Kau (Chu) as a securities dealer's representative of Ms Chan Yuen Yee trading as Tai Shing Stock Investment Company (Tai Shing) for 2 years effective from 25 August 1997.

The SFC's action stemmed from an investigation covering October 1993 to January 1994 during which it was discovered that Chu had engaged in trading malpractices through a nominee account at Tai Shing. The trading malpractices enabled Chu to enjoy the allocation of best prices at the expense of Tai Shing's clients and thereby made a total profit of \$237,165. The trading malpractices also involved short selling activities by Chu of which he was convicted in court on 25 February 1997 for breach of Section 80 of the Securities Ordinance. In addition, the SFC found that Chu had knowingly facilitated the short selling activity of a client of Tai Shing. The conduct of Chu was prejudicial to the interest of the investing public.

A spokesman for the SFC said that the suspension in this case was a continuation of the SFC's efforts to discipline registered persons who had been involved in trading malpractices which were prejudicial to the interest of the investing public. As part of this process and with a view to ensuring integrity amongst registered intermediaries, the SFC will take strong regulatory action against errant registrants.

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