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## SFC Reprimands Cheung Lap Kei Ricky for Providing Misleading Information

25 Feb 2003

The SFC has reprimanded Mr Cheung Lap Kei Ricky, a dealer's representative of Kim Eng Securities (Hong Kong) Limited and a commodity dealer's representative of Kim Eng Futures (Hong Kong) Limited, for providing misleading information during an SFC inquiry.

The reprimand stemmed from an investigation by the SFC into possible market manipulation in relation to a derivative warrant issued in May 2001. Kim Eng had acted as a sub-placing agent in the placement of that derivative warrant.

As part of the investigation, SFC staff interviewed Cheung in November 2001 and asked him when certain derivative warrants that had been placed to clients of Kim Eng were sold back to the issuer. His answers were materially different to the records kept by the issuer as well as testimony given by staff of the issuer and two other sub-placing agents. The SFC found that Cheung had deliberately given misleading information, which had the potential to jeopardise the SFC investigation.

Cheung's conduct called into question his fitness and properness, and the SFC decided to reprimand him.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "The SFC expects all registered persons to at all times co-operate with the SFC by giving true and complete answers to our questions. We will discipline registered persons found to have deliberately or recklessly given us misleading information that hinders our work."

Ends

Notes:

1. Inquiries into the market manipulation aspect have been concluded with no prosecution taken.

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