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## Enforcement News

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26 November 2009

### Four jailed in Hong Kong's largest market manipulation case

Four people were today jailed between 26 and 30 months by the District Court in the largest market manipulation case in Hong Kong.

The four were earlier found guilty of conspiring to manipulate the market in the shares of Asia Standard Hotel Group Ltd (ASH Group), which contributed to an increase of the share price by 78% and the company's market capitalisation by \$4 billion (Note 1).

His Honour Deputy Judge Johnny Chan sentenced Mr Chan Chin Yuen to 30 months in jail. His sister-in-law, Ms Elaine Au Yeung Man Chun, his brother Mr Chan Chin Tat and a friend Mr Chui Siu Fung were each given a 26-month jail sentence.

Each defendant was ordered to pay the Securities and Futures Commission (SFC) investigation costs of \$288,400.

Mr. Mark Steward, the SFC's Executive Director of Enforcement said: "This was a conspiracy to rip money out of the hands of innocent investors and is the largest market manipulation case brought before a court in Hong Kong. Today's sentencing sends the clearest possible deterrent message to those who wrongly think they can get away with defrauding the market and the investing public. The message is that they can't get away with it, they will be caught and they will go to jail."

The court earlier heard that from 1 August to 5 September 2005, the four conspired to create a false or misleading impression with respect to the market for the shares of ASH Group.

The SFC alleged that the group's trading activities had effectively rigged the market, producing a false picture of the depth and liquidity for ASH Group shares and contributing to an increase in the share price of ASH Group and in the company's capitalisation.

Chan Chin Yuen funded trading conducted by the other three who traded largely among themselves, and the group's trading constituted more than 50% of ASH Group shares traded during the period on turnover of approximately \$190 million.

Chan Chin Tat and Chui Siu-fung are also charged with the offence of failing to answer questions as required under the Securities and Futures Ordinance during the SFC investigation without reasonable excuse. The trial for this additional offence is scheduled to start on 17 December 2009.

End

Note:

1. For details of the case, please refer to SFC media releases dated [10 July 2008](#), [7 August 2008](#) and [13 November 2009](#).

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