

Press Release

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Delisted company chairman to serve another 12 months

The chairman of a now delisted company, charged by the ICAC, was today (Monday) sentenced at District Court to an additional 12 months' imprisonment for his role in a fraudulent scam in relation to the trading of the company's shares, and authorising the issuing of a misleading prospectus in the listing of the company.

Xu Peixin, 42, chairman of the now delisted Global Trend Intelligent Technologies Limited (Global Trend), earlier pleaded guilty to one count of conspiracy to defraud and one of authorising the issue of a prospectus with an untrue statement.

Deputy Judge Andrew Ma sentenced Xu to 12 months' imprisonment for each of the above two offences, but ordered six months for each offence to run consecutively to his current four-year jail term for fraudulently using false business and accounting records for auditing purpose.

In sentencing, the judge reprimanded Xu for fraudulently misleading investors in the scam.

The case arose from a corruption complaint. Subsequent ICAC enquiries revealed the offences.

The court heard that in July 2002, Xu offered a director of an investment company a substantial amount of Global Trend shares as a reward for the latter's assistance in rigging the share price of Global Trend.

Having agreed to the deal, the director of the investment company purchased over 10 million Global Trend shares through his and other persons' stock accounts between July 8 and 11, 2002, creating a false appearance of active trading in Global Trend shares in the stock market.

On July 8, 2002, the Stock Exchange of Hong Kong noticed the unusual trading volume in Global Trend shares.

Upon a request from the Stock Exchange, Xu made an announcement to the public, denying knowledge of the reason for the unusual trading volume.

The court also heard that on June 18, 2002, Xu authorised the issue of a prospectus of Global Trend which included an untrue statement.

The prospectus stated that in 1993, Xu founded Global Trend and its subsidiaries by establishing Trend Intelligence Technologies Limited (Trend Intelligence) to engage in the trading of computers and computer-related parts and components in the Mainland.

In fact, Trend Intelligence was not established by Xu, nor was he a shareholder or a director of Trend Intelligence before February 23, 2001. The company could not have engaged in the trading of computers and computer-related parts and components or any trading at all before that day, the court heard.

The prosecution was today represented by Wong Po-wing, counsel on fiat, assisted by ICAC officer Elmond Yu.