

---

## Enforcement News

---

To save a copy for future reference, right click [here](#) and select "Save Target As..."

20 August 2009

### SFC seeks court orders to freeze assets of Tiger Asia Management LLC

The Securities and Futures Commission (SFC) has commenced proceedings in the High Court against Tiger Asia Management LLC, a New York-based asset management company, and three of its senior officers, Mr Bill Sung Kook Hwang, Mr Raymond Park and Mr William Tomita (Notes 1 and 2).

The SFC has applied for an injunction order to freeze assets of Tiger Asia and the three senior officers, including those located overseas, up to \$29.9 million pending final orders that the SFC is seeking. The amount is equivalent to the notional profit made by Tiger Asia in alleged insider dealing and market manipulation activities.

The proceedings followed an SFC investigation into suspected insider dealing and market manipulation by Tiger Asia and the three senior officers in relation to dealings in the shares of China Construction Bank Corporation (CCB) on 6 January 2009 (Note 3).

The SFC alleges that:

- (a) on 6 January 2009, before the market opened, a placing agent in Hong Kong invited Tiger Asia to participate in a proposed placement of CCB shares in Hong Kong by the Bank of America Corporation (BOA);
- (b) the placing agent told Tiger Asia about the size and the discount range of the proposed placement;
- (c) this information was confidential and price sensitive and Tiger Asia and the three senior officers knew this;
- (d) Tiger Asia then short-sold a total of 93 million CCB shares on 6 January 2009 ahead of the public announcement of the CCB placement;
- (e) Tiger Asia covered its short sales out of the placement shares that it bought on 7 January 2009 at a discount to the prevailing market price; and
- (f) Tiger Asia made a substantial notional profit of \$29.9 million.

The SFC also alleges downward manipulation of CCB share price by Tiger Asia on 6 January 2009 at the time of the short sales.

The SFC is also seeking final orders against Tiger Asia and the three senior officers, including orders to unwind the relevant transactions if the court finds the transactions have contravened the Securities and Futures Ordinance and to restore affected counterparties to their pre-transaction positions.

The SFC considers it necessary to seek a freezing order to ensure there are sufficient assets to satisfy any restoration orders that may be made by the court. The SFC is also seeking orders to prevent Tiger Asia and the three senior officers from trading in listed securities and derivatives in Hong Kong in similar circumstances.

The court has not yet set a date for the hearing of the application.

End

Notes:

1. The proceedings were commenced under section 213 of the Securities and Futures Ordinance. Tiger Asia, founded in 2001, is a New York-based asset management company that specialises in equity investments in China, Japan and Korea. All of its employees are located in New York. Tiger Asia has no physical presence in Hong Kong.

2. Park joined Tiger Asia in April 2006 and, at all times since, his job title has been Managing Director, Head of Trading, and his responsibilities include managing the trading desk, supervising orders and managing broker relationships. Tomita joined Tiger Asia in April 2008 and supports the trading activities led by Park. Both Park and Tomita report to portfolio manager, Hwang, whom the SFC alleges made the trading decisions for the CCB trades.

3. CCB has been listed on The Stock Exchange of Hong Kong since 27 October 2005. CCB is the second largest state-owned bank in China.

Page last updated: 20 August 2009