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For Immediate Release

Hong Kong Commercial Cleaning Services admits liability and agrees to over HK\$10 million penalty in cleansing service cartel case

The Competition Commission (“Commission”) today announced that *Hong Kong Commercial Cleaning Services Limited* (“HKC”), a respondent in legal proceedings¹ regarding alleged cartel conduct in the supply of cleansing services, has admitted its liability and agreed to pay a penalty of HK\$10.96 million.

The proceedings, which were commenced in the Competition Tribunal (“Tribunal”) on 14 December 2021, followed an investigation conducted by the Commission against **HKC** and *Man Shun Hong Kong & Kln Cleaning Company Limited* (“MS”), as well as their three directors, *Ms. Chan Ming Chu*, *Mr. Cheng Yip Chiu* and *Mr. Cheng Hok Kuen*. The investigation was carried out upon receipt of a complaint from a group of complainants, including several cleaning workers of a public housing estate, who alleged that cleansing service contractors including HKC and MS were colluding with each other when bidding for cleansing service contracts from the Hong Kong Housing Authority (“HA”).

HKC, together with its two directors, Ms. Chan Ming Chu and Mr. Cheng Yip Chiu, signed a Statement of Agreed Facts (“Statement”) on 6 December 2024 to settle the case.

According to the Statement, HKC has admitted its liability for a contravention of the First Conduct Rule (“FCR”) of the Competition Ordinance (“Ordinance”) by exchanging commercially sensitive information, which constitutes price fixing, when bidding for 17 contracts with the HA from at least May 2016 to August 2018. The tenders, involving a total amount of around HK\$180 million, were submitted to provide cleansing services for public housing estates and other buildings under the HA’s management. Ms. Chan Ming Chu and Mr. Cheng Yip Chiu have also agreed to admit liability for their involvement in the contravention.

This has resulted in the Commission submitting an application to the Tribunal seeking:

- declarations that HKC has contravened the FCR, and that Ms. Chan Ming Chu and Mr. Cheng Yip Chiu are persons involved in the contravention;
- an order that HKC shall pay a pecuniary penalty of HK\$10.96 million (calculated in accordance with the Commission’s Policy on Recommended Pecuniary Penalties²);
- an order that each of Ms. Chan Ming Chu and Mr. Cheng Yip Chiu shall pay a pecuniary penalty of HK\$10,000;

¹ See the Commission’s [press release](#) dated 14 December 2021.

² See the Commission’s [Policy on Recommended Pecuniary Penalties](#) published in June 2020.

- a director disqualification order be imposed against each of Ms. Chan Ming Chu and Mr. Cheng Yip Chiu for a period of 24 months; and
- orders for the recovery of the Commission's costs of investigation and proceedings.

The above application is subject to the Tribunal's determination.

As regards MS and its director Mr. Cheng Hok Kuen, upon their admission of liability on 30 January 2024, the Tribunal has subsequently ordered at a hearing, amongst other terms:

- a declaration that MS has contravened the FCR; and
- a declaration that Mr. Cheng Hok Kuen is a person involved in the contravention of the FCR.

Further reliefs sought by the Commission against MS and Mr. Cheng Hok Kuen, including recommended pecuniary penalties and a director disqualification order, will be determined by the Tribunal at a separate hearing if no settlement is reached.

Mr. Rasul Butt, Chief Executive Officer of the Commission, said, "The admission of liability by all respondents in this case represents a significant milestone in the Commission's investigation into the cleansing services cartel that aims to undermine competition in public procurement. The case also highlights the importance for directors of a company to observe their statutory duty to exercise reasonable care, skill and diligence. Company directors should be aware of their potential legal liabilities should their companies engage in anti-competitive conduct, and actively take measures to ensure full compliance with the Ordinance within their companies."

The Commission is thankful to the HA which has rendered full assistance in the investigation and prosecution of the case.

The Commission would like to reiterate that all Hong Kong businesses must comply with the Ordinance and steer clear of anti-competitive practices. Those who may have already been involved in any cartels, including price fixing agreements or concerted practices, should approach the Commission promptly for leniency or cooperation.
