

Press Release

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Five face court for allegedly deceiving \$22m from listed company

Five persons, charged by the ICAC for their alleged roles in a fraudulent scam to deceive over \$22 million from a listed company in relation to bogus consultancy payments in relation to various projects of the Hong Kong Housing Authority (HKHA), appeared at Eastern Magistracy this (Monday) morning.

The defendants were: Kwok Shun-on, 44, and Ou Ka-chi, 41, respectively former executive director and former financial controller of public listed Shun Cheong Holdings Limited; Wong Kwok-keung, 50, former warehouse supervisor of Shun Cheong Electrical Supplies Company Limited (SCES); Chui Fu-tsang, 64, former director of Prelude Assets Limited (PAL); and Chung Tao-fun, 64, former proprietor of Fu Cheong Engineering (H.K.) Co. (Fu Cheong) and Yue Fat Engineering Co. (Yue Fat).

The defendants faced a total of 10 alleged offences, including four counts of conspiracy to defraud, two counts of conspiracy to deal and three of dealing with property known to represent proceeds of an indictable offence; as well as one count of attempted theft.

The alleged scam was uncovered during the course of a corruption inquiry.

Two of the charges alleged Kwok and Ou of conspiring together to defraud Shun Cheong Electrical Engineering Company Limited (SCEE), Tinhawk Company Limited (Tinhawk) and Shun Cheong M&E Limited (Shun Cheong M&E), while two other similar charges alleged Kwok and Wong of conspiring together to defraud SCES.

The trio were alleged of having falsely represented that PAL, Fu Cheong and Yue Fat had provided consultancy services to the above companies in relation to a number of HKHA projects, thereby inducing those companies to make payments, totalling over \$22.2 million, to PAL, Fu Cheong and Yue Fat.

SCEE, Tinhawk, Shun Cheong M&E and SCES are all subsidiaries of Shun Cheong Holdings Limited.

ICAC inquiries alleged that the services stated had never taken place.

Kwok, Chui and Chung faced two charges of conspiracy to deal with a total of \$19.23 million, knowing that the property, in whole or in part, directly or indirectly, represented proceeds of an indictable offence.

Chui and Chung were jointly charged with another three offences of dealing with a total of \$2.25 million, being suspected proceeds of an indictable offence.

Ou alone was further charged with one count of attempting to steal a chose in action, namely a debt of \$500,000 owed by a bank to SCEE.

The above alleged offences took place between October 1999 and March 2001.

No pleas were taken from the defendants today. Magistrate Mr David Thomas adjourned the case to September 28, 2004, pending listing for the Court of First Instance.

Kwok was granted bail of \$350,000 in cash, while the remaining defendants were each granted cash bail of \$100,000. The defendants were also ordered not to interfere with

prosecution witnesses.

The prosecution was today represented by Government Counsel Marco Li, assisted by ICAC officer Joey To.

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