

Press Release

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Ex-listed company chairman to serve additional 27 months for \$57m L/C fraud

The former chairman of publicly listed Wealthmark International (Holdings) Limited (Wealthmark), charged by the ICAC, was today (Wednesday) sentenced at the District Court to an additional 27 months' imprisonment for his role in defrauding banks of \$57 million in Letters of Credit (L/Cs) facilities based on bogus business transactions.

Wong Chor-wo, 54, earlier pleaded guilty to three counts of conspiracy to defraud.

Deputy Judge Garry Tallentire sentenced Wong to 44 months' imprisonment, but ordered 27 months to run consecutively to his current six-year jail term for submitting false statements to auditors for covering up the misappropriation of company funds in another trial.

Wong Chun-ping, 51, a director and shareholder of C.K. Trading Company Limited (C.K. Trading), who was also charged for his role in the case, had pleaded guilty to two counts of conspiracy to defraud. He was today jailed for 32 months, with 20 months to run consecutively to his current three-year jail term for dealing with the above misappropriated funds.

Co-defendant, Chung Ching-huy, 52, a sole proprietor of Belle Sac Company (Belle Sac), who was earlier found guilty of one count of conspiracy to defraud, today received a jail term of 27 months.

The case arose from a corruption complaint. Subsequent ICAC enquiries revealed the offences of conspiracy to defraud.

The court heard that Wong Chor-wo was a director of Wallmark Enterprise Company Limited (Wallmark), a subsidiary of Wealthmark which manufactured and sold handbags and related products.

Between June 1, 1998 and May 15, 2001, Wong Chor-wo conspired with Chung to apply to banks for 10 L/Cs amounting to \$17,750,658 from banks in favour of Belle Sac.

The applications were based on bogus transactions between Wallmark and Belle Sac.

Upon receipt of the L/C funds, Belle Sac reverted the monies to Wallmark.

The court also heard that between January 1, 1998 and March 5, 2001, Wong Chor-wo conspired with Wong Chun-ping to apply to banks for 10 L/Cs amounting to \$21,603,610 in favour of C.K. Trading.

Between May 1, 2001 and March 2, 2004, the two Wongs applied for nine L/Cs totalling \$19,755,765 from various banks, based on bogus business transactions between Wallmark and C.K. Trading.

All the proceeds, upon receipt by C.K. Trading, were reverted to Wallmark either directly or through the personal bank accounts of Wong Chung-ping, the court was told.

The prosecution was today represented by prosecuting counsel Nicholas Adams, assisted by ICAC officer Joey To.