

Press Release

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Ex-chairman and two others of listed toy manufacturer charged for fraud and embezzlement

The former chairman, a former and a serving senior executives of publicly listed Sewco International Holdings Limited (Sewco) have been charged by the ICAC for allegedly defrauding a subsidiary of the company of over \$7 million, and embezzling company funds totalling more than \$8 million.

Cheung Po-lun, 59, former chairman of Sewco; Hui Kwok-chu, 46, former chief executive officer of Sewco; and Cisor Jim Yin-ping, 46, purchasing manageress of Sewco, will appear in Eastern Magistracy at 9:30 am on Friday (December 8) on a total of nine offences - one of conspiracy to defraud and eight of theft.

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

One of the charges alleges that Cheung, Hui and Jim had conspired together to defraud Sewco Toys & Novelty Ltd. (Sewco Toys), a subsidiary of Sewco.

The trio was alleged to have submitted invoices which were inflated by 5% to 10% on the purchase price of goods supplied by suppliers of Sewco Toys, and instructed those suppliers to return the inflated sums by depositing the amounts into Jim's personal bank accounts.

As a result, Sewco Toys was induced to make payments to the suppliers in accordance with the inflated invoices submitted.

ICAC enquiries revealed that the inflated sums allegedly amounted to \$7.16 million.

The remaining eight charges allege that Cheung and Hui had stolen a total of \$8.38 million from Sewco Toys.

The alleged offences took place between mid 2001 and April 2004.

The defendants have been released on ICAC bail, pending their court appearances on Friday.