

Press Release

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Trio jailed for deceiving \$20m from listed company

Three persons, charged by the ICAC, were today (Friday) sentenced at the Court of First Instance for their respective roles in a series of fraudulent scams to deceive consultancy and labour payments, totalling about \$20 million, from the listed company in relation to various projects of the Hong Kong Housing Authority (HA).

George Kwok Shun-on, 45, former managing director of Shun Cheong Holdings Limited (Shun Cheong), received a jail term of six years and eight months, while Ou Ka-chi, 42, former financial controller of Shun Cheong, was jailed for 55 months.

Chui Fu-tsang, 67, former director of Prelude Assets Limited (Prelude), was sentenced to eight months' imprisonment.

In sentencing, Recorder Mr Ronny Wong SC noted that although the ICAC was recently under strain, its well-known dedication and persistence was still alive. He commended the ICAC officers involved for a thorough and painstaking investigation.

Kwok, Ou and Chui were earlier convicted of a total of five offences - four of conspiracy to defraud, and one of conspiracy to deal with property known or believed to represent proceeds of an indictable offence. The offences took place between October 1999 and March 2001.

The case arose from a corruption complaint in which a Chief Building Services Engineer of the Housing Department was alleged to have received bribes from various suppliers and contractors in relation to the management of building services contracts and works supervision at a number of public housing projects. Subsequent ICAC enquiries revealed the fraudulent scams.

The court heard that between October 1999 and June 2000, Kwok and Ou entered into a conspiracy to defraud three subsidiaries of Shun Cheong.

They falsely represented that Prelude, a British Virgin Islands-registered company set up by Kwok, had provided consultancy services to the subsidiaries in relation to various HA projects in Wong Tai Sin, Kwai Chung, Tsing Yi, Tin Shui Wai, Po Lam and Shatin.

All the false invoices were arranged by Ou, who had them endorsed either by himself or by Kwok on behalf of Shun Cheong.

As a result, those subsidiaries of Shun Cheong were induced to pay a total of \$13.58 million to Prelude.

The court heard that Kwok and Chui had entered into another conspiracy to defraud one of the subsidiary companies.

The duo falsely represented that Yue Fat Engineering Company (Yue Fat) had supplied labour to the subsidiary company for installation, testing and commissioning of electrical devices in the housing estates of HA, thus inducing the subsidiary company to make payments of \$6,376,063.30 to Yue Fat.

Through a similar fraudulent scam, Chui induced the subsidiary company to pay another \$2,256,823.4 to Fu Cheong Engineering (H.K.) Company (Fu Cheong).

Both Yue Fat and Fu Cheong were companies set up by an associate of the defendants.

The court also heard that Kwok had conspired to deal with \$5,656,063.30, being part of the proceeds obtained from the Yue Fat fraudulent scam.

The prosecution was today represented by Aziz Hoosen, counsel on fiat, assisted by ICAC officer Joey To.