

Press Release

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Brothers get six years for misappropriating listed company funds and share options fraud

The former chairman and a former executive director of a publicly listed company, charged by the ICAC, were today (Thursday) each jailed for six years at the District Court for their roles in misappropriating company funds totalling over \$50 million and conspiring to defraud in relation to the granting of share options.

Stephen Wong Wang-sang, 49, and brother Wong Pui-sing, 38, respectively former chairman and former executive director of Skyworth Digital Holdings Limited (Skyworth Digital), were last week found guilty of three joint offences - two of conspiracy to steal and one of conspiracy to defraud. Wong Wang-sang was further convicted of one count of conspiracy to steal.

In sentencing, Judge Stephen Geiser said the offences committed by the defendants were serious and involved substantial amounts of money. He also reprimanded the defendants for the breach of trust as revealed in the case.

The ICAC investigation arose from a corruption complaint. Inquiries subsequently revealed the misappropriation and fraudulent scam.

The court heard that between November 1, 2000 and October 31, 2004, Wong Wang-sang and Wong Pui-sing conspired with Lo Yuk-ying and Wong Pang to steal over \$2.2 million belonging to Skyworth Computer & Network Company Limited, and over \$48 million belonging to Skyworth Digital Technology (Holding) Company Limited (Skyworth Digital Technology).

In addition, Wong Wang-sang had conspired with Lo to steal \$500,000 belonging to Skyworth (Group) Company Limited between January 2 and June 27, 2001.

The court also heard that between November 1, 2000 and November 30, 2004, Wong Wang-sang and Wong Pui-sing had conspired with Lo and Wong Pang to defraud Skyworth Digital.

They had falsely represented that Wong Pang was employed by Skyworth Digital Technology as a consultant responsible for developing and exploring the business of Skyworth Digital Technology and Skyworth Digital in the Mainland.

They also false represented that Wong Pang, being a consultant employed by Skyworth Digital Technology, was entitled to the grant of share options for a total of 25 million shares of Skyworth Digital exercisable over four years.

As a result of the false representation, Skyworth Digital was induced to grant a total of 18,750,000 share options to Wong Pang at \$0.336 per share, the court was told.

The prosecution was today represented by Giles Surman, counsel on fiat, assisted by ICAC officer Kitty Lau.