

An executive director of a listed company was charged by the ICAC and brought to Eastern Magistracy this (Friday) afternoon for alleged fraud in relation to the acquisition of a company, following the prosecution of another executive director of the listed company last year.

Ho Yu-ling, 53, executive director of Extrawell Pharmaceutical Holdings Limited (Extrawell), faced five charges - one of fraud, one of conspiracy to defraud, one of attempted fraud, and two of publishing a false statement.

No plea was taken. Magistrate Mr Garry Tallentire adjourned the case until February 29, 2008 for transfer to the District Court. The defendant was granted bail of \$3 million in cash.

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

One of the charges alleged that between January 1 and September 30, 2004, Ho Yu-ling and Ho Chin-hou, another executive director of Extrawell, by deceit, falsely represented that the daughter-in-law and son-in-law of Ho Chin-hou were not connected persons of Extrawell.

The charge also alleged that they had concealed or failed to disclose the relationship of Ho Chin-hou with his daughter-in-law and son-in-law, and that Smart Ascent Limited (SAL) was a company controlled by Ho Chin-hou.

It was alleged that the two Hos, with intent to defraud, induced Extrawell to acquire 51% of the shares of SAL at the price of \$73 million which resulted in benefit to Ho Chin-hou, his daughter-in-law and son-in-law.

Another charge alleged Ho Yu-ling and Ho Chin-hou of conspiring together on March 3, 2004 to defraud officers of the Stock Exchange of Hong Kong Limited (SEHK) on March 4, 2004 by falsely representing that the acquisition by Extrawell of 51% of the shares of SAL from Ho Chin-hou's daughter-in-law and son-in-law was not a connected transaction as defined in the Listing Rules.

As a result, officers of SEHK were allegedly caused to act contrary to their public duty by not requiring Extrawell and/or Ho Chin-hou to make further disclosure relating to the said acquisition.

The third charge alleged that between July 1 and September 16, 2007, Ho Yu-ling and Ho Chin-hou, by deceit, falsely represented that the son-in-law of Ho Chin-hou was not a connected person of Extrawell.

They were also alleged to have concealed or failed to disclose Ho Chin-hou's relationship with his son-in-law, and that Ho Chin-hou's son-in-law was holding the remaining 49% of the shares of SAL on behalf of Ho Chin-hou who remained the beneficial owner of them.

It was alleged that Ho Yu-ling and Ho Chin-hou, with intent to defraud, attempted to induce Extrawell to acquire the remaining 49% of the shares of SAL at the price of \$768.9 million which would have resulted in benefit to Ho Chin-hou and his son-in-law.

The remaining two charges alleged Ho Yu-ling and Ho Chin-hou of concurring in publishing two written statements in relation to the above acquisition on March 25, 2004 and September 17, 2007 respectively, with intent to deceive members of Extrawell.

Ho Chin-hou, 69, was charged in connection with the case in September last year. His case has been adjourned until February 29, 2008.

The prosecution was today represented by Senior Assistant Director of Public Prosecutions

Alex Lee, assisted by ICAC officer Paul Lau.