

**Ex-general manager of headware company jailed for fraud****22.09.09**

A former general manager of a headware company, charged by the ICAC, was today (Tuesday) sentenced to two years' imprisonment at the District Court for deceiving millions of goods payments from the company.

Thomas Henry Spedding, 56, formerly employed by Kangol Headwear (Panyu) Limited (Kangol), today pleaded guilty to two counts of fraud.

In sentencing, Deputy Judge Anthony Kwok Kai-on said a custodial sentence was necessary in view of the defendant's premeditated fraud, lasting over four years, and a serious breach of trust.

The case arose from a corruption complaint. ICAC inquiries revealed the fraud offences.

The court heard that at the time of the offences, the defendant was the general manager of Kangol, a wholly owned subsidiary of Bollman (Hong Kong) Limited (Bollman).

One of his duties was to authorize purchase of raw materials from the suppliers of Kangol, one of which was Chuangxing Leather Trading Company (Chuangxing).

In July 2003, the defendant, his wife and his assistant at Kangol set up Silken Himan International Traders Company Limited (Silken Himan), a company registered in British Virgin Islands.

In June 2006, Bollman and Kangol were acquired by Mainland Headwear Holdings Limited (Mainland Headwear), a listed company in Hong Kong.

After the acquisition, Mainland Headwear continued to appoint the defendant as the general manager of Kangol.

Without the knowledge of Bollman, Kangol and Mainland Headwear, Spedding instructed his assistant to place orders of yarn on behalf of Silken Himan with Chuangxing at an average price of \$80 per kilogramme.

Silken Himan then resold the yarn to Kangol at \$120 per kilogramme.

ICAC investigation revealed that between September 2003 and May 2007, Bollman paid a total of over \$14 million to Silken Himan for purchasing yarn. Out of the \$14 million, Silken Himan withdrew over \$6.4 million for settling payments for Chuangxing and some of the freight charges.

The prosecution was today represented by Public Prosecutor Anthony Chau, assisted by ICAC officer Authur Leung.