

Listed company chairman faces court for
alleged fraud over property transaction

04.03.11

The chairman of publicly listed CY Foundation Group Limited (CY Foundation) appeared in Eastern Magistracy today (Friday) after being charged by the ICAC with fraud in relation to a property transaction of the company.

Theodore Cheng Chee-tock, 61, faced a joint charge of fraud with Chong Ching-lai, 47, and Philip Yu, 40, respectively former chief financial officer of CY Foundation and adviser.

No plea was taken from Cheng today. Chong and Yu appeared in the same court last Friday (February 25) after they had been charged by the ICAC with the same offence.

Acting Principal Magistrate Amanda Jane Woodcock adjourned the case until May 6, pending further enquiries and legal advice.

The case arose from a corruption complaint. Subsequent ICAC investigation revealed the above alleged offence.

The charge alleged that between April 2 and December 17, 2007, Cheng, Chong and Yu failed to disclose to CY Foundation that Cheng was a beneficiary or had a financial interest in the property at 17th Floor, 200 Gloucester Road, Wan Chai.

The trio was also alleged to have falsely represented that the acquisition of the property by CY Foundation did not constitute a connected transaction for the purpose of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

It was alleged that with intent to defraud, the trio induced CY Foundation to complete the purchase of the property, which resulted either in benefit to Cheng or Yu or in a substantial risk of prejudice to CY Foundation.

Cheng was granted cash bail of \$200,000. He was also ordered to surrender all travel documents, not to leave Hong Kong, and not to interfere with prosecution witnesses.

The prosecution was today represented by Senior Public Prosecutor Laura Ng, assisted by ICAC officer Leung Po-shan.