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Contractor and partner jailed for bribery over renovation works

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A contractor and his business partner, charged by the ICAC, were today (Friday) sentenced to imprisonment terms at Kwun Tong Magistracy for offering \$215,443 as illegal rebates to an employee of a jewellery chain in return for renovation and maintenance contracts.

Kan Wai-keung, 48, proprietor of Shun Cheong Engineering Company (Shun Cheong), received a jail term of six months, while his business partner Yeung Wing-sing, 44, was jailed for three months.

In sentencing, Magistrate So Wai-tak remarked that the defendants had committed serious bribery offences. As the court would not tolerate their corrupt acts, immediate custodial sentences were unavoidable.

Kan earlier admitted to two counts of offering an advantage to an agent, contrary to Section 9(2)(a) of the Prevention of Bribery Ordinance (POBO); while Yeung pleaded guilty to one count of conspiracy to offer an advantage to an agent, contrary to Section 9(2)(a) of the POBO and Section 159A of the Crimes Ordinance.

The court heard that at the material times, Kan was the proprietor of Shun Cheong, while Yeung was his business partner.

Luk Fook Holdings Company Limited (Luk Fook) was a jewellery chain with various retail shops. Luk Fook employed Kwong Chi-hang as a senior project officer, who was responsible for obtaining quotations from contractors and awarding to them contracts of renovation or maintenance works for the company's jewellery retail shops and office premises.

In June 2008, Luk Fook decided to hire a new renovation and maintenance contractor. Kwong then contacted Yeung, who asked Kan if Kan was interested in becoming a maintenance contractor of Luk Fook.

After Kan replied in the positive, Yeung and Kwong agreed in July or August 2008 that a certain percentage of the contract fees would be given to Kwong as rebates.

The court heard that in September 2008, Yeung told Kan that he had signed a one-year maintenance contract with Luk Fook. Between August and October 2008, Yeung paid Kwong rebates totalling \$8,833 after receiving them from Kan.

Kan and Yeung ended their partnership in November 2008. Since then, Kan had been paying rebates to Kwong directly.

Between November 2008 and June 2010, Kan paid a total of \$206,610 to Kwong in return for renovation and maintenance contracts from Luk Fook.

Luk Fook prohibited its employees from soliciting or accepting any advantages in relation to the company's business, the court was told.

Upon an application from Kan, the magistrate allowed him cash bail of \$10,000, pending an appeal against sentence. Kan was also ordered not to leave Hong Kong.

Kwong, 46, who was also charged by the ICAC for his role in the case, earlier pleaded guilty to two counts of accepting illegal rebates from Kan and Yeung. Kwong was jailed for seven months, and ordered to pay a restitution of \$150,000 to the government.

The prosecution was today represented by prosecuting counsel Steven Kwan, assisted by ICAC officer Wilson Tang.

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