

06/03/01 Four years for US\$9.3m credit fraud involving Guangnan

A proprietor of a trading company, charged by the ICAC for his involvement in a US\$9.3 million credit fraud involving Guangnan (Holdings) Limited, was sentenced to four years' imprisonment at the Court of First Instance today (Tuesday)

Zhao Shan-ning, 55, proprietor of Tak Ming Trading Company (Tak Ming), earlier pleaded guilty to five conspiracy charges over the applications of Letters of Credit (L/Cs) supported by false documents.

In sentencing, Mr Justice Jackson said the offences, involved huge sums of money, were serious.

The charges alleged Zhao of having conspired with his wife Chow Kit-ming, Guangnan director Huang Bing-tong and others to defraud Asia Commercial Bank Limited and The Bank of Nova Scotia between January 1 and November 30 1998.

Zhao was alleged to have dishonestly caused Guangnan and New Anrong Company Limited (New Anrong), a subsidiary of Guangnan, to apply and utilize credit facilities from the banks under five L/Cs by submitting false documents to the banks.

Such documents purportedly evidenced that Tak Ming had carried out genuine underlying commercial transactions with Guangnan and New Anrong, trading in air conditioners and cold rolled steel sheets, packing materials for canned food.

The banks subsequently released credit facilities totalling about US\$9.3 million to Tak Ming.

The court heard that in order to cover the scam, Zhao, upon receiving payments from the banks, re-routed the proceed to Guangnan's bank accounts via Huang's personal accounts.

Zhao received about US\$8,211 as a reward for his role, the court was told.

Chow Kit-ming, who was also charged by the ICAC, had her charges withdrawn by the Department of Justice.

So far 27 persons, including Zhao, have been charged for a series of alleged scams in relation to Guangnan and its subsidiaries, involving approximately HK\$1.6 billion worth of L/Cs in total.

Twenty-two persons, including Huang Bing-tong, are being wanted by the ICAC for their alleged involvement. Warrants have been issued for their arrests.

Senior Government Counsel Liu Yuen-ming, assisted by ICAC officer Ringo Yung, today represented the prosecution.