

08/01/02 13 charged over alleged counterfeit locks at HA projects

Thirteen people, earlier arrested in an ICAC operation for an alleged bribery scam in relation to the supply of counterfeit locks for Housing Authority's housing projects, were charged today (Tuesday).

The defendants include nine staff members of E. Bon Building Materials Co. Ltd. (E. Bon): Henry Tse Sun-fat, 45, managing director; Tony Tse Sun-po, 43, Almond Tse Sun-ming, 42, Albert Tse Sun-wai, 51, Rhodes Lee Chi-wah, 39, and Yick Kai-chung, 43, all directors; and Wu Hok-sing, 47, Cheng Sai-kun, 45 and Chan Mei-ho, 32, all supervisors.

The remaining defendants are: NISUGI Nobuyuki, 52, managing director of Newise International Limited (Newise); OKADA Tadahiro, 40, director of Newise; Ka Wai-ming, 20, shipping clerk of Newise; and Lo Oi-kuen, 38, former secretary of Newise.

The defendants, currently on ICAC bail, will appear at Eastern Court at 9:30 am tomorrow (Wednesday) on a total of 10 alleged offences.

They were arrested in Operation "Salangane" in April last year following a corruption complaint, alleging that some unqualified lock suppliers had become Housing Department (HD) approved contractors through bribing government servants.

Subsequent inquiries uncovered an alleged \$16.8 million bogus lock scam, but the corruption allegation against government officers were not substantiated.

It was alleged that E. Bon, a subsidiary of the public listed E. Bon (Holdings) Ltd., had supplied counterfeit locks to various HA's housing projects.

The locks were allegedly manufactured in the Mainland but repacked under the original Japanese brand names in Hong Kong.

Newise was the alleged local agent for such counterfeit locks.

The defendants were jointly charged with 10 conspiracy offences.

They were alleged to have conspired to defraud six building contractors, namely, Shun Shing Construction & Engineering Co. Ltd., Hip Hing Construction Co. Ltd., Shui On Building Contractors Ltd., Wing Hong Contractors Ltd., Victory Door Ltd., and China State Construction Engineering Corporation, between November 1997 and August 2001 over the supply of locks for various HA housing projects.

They were said to have dishonestly:

- falsely represented that Bonco and Alpha locks supplied by E. Bon to these contractors in relation to various HA housing projects were materials on the Approved List of Materials for Use in Housing Authority Building Contractors;
- falsely represented that the said Bonco locks and Alpha locks were respectively manufactured by Showa Limited and Alpha Corporation in Japan; and
- caused the contractors to pay for the said locks.

It was alleged that counterfeit locks had been supplied in relation to housing projects at Deep Bay Road (Broadview Court) Home Ownership Scheme (HOS) Project; Lai Chi Kok Phase 2 HOS Project; Sau Mau Ping Estate Phases 5 and 15 Redevelopment Project; Ma On Shan Area 77 Phases I, II and III HOS Project; Tseung Kwan O Town Lot 62 Area 65A HOS Project; Shek Yam Estate Phase 3 Redevelopment HOS Project, Shatin Area 31A Hing Keng Street HOS Project.

The total value of the supply contracts involved amounted to \$16.82 million.