

Press Release

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Ex-company director faces court for alleged HK\$22m L/C fraud involving Guangnan

A Mainland citizen, who was formerly employed as a director of a listed company's subsidiary, was charged by the ICAC and brought to Eastern Magistracy this (Tuesday) morning for his alleged involvement in a US\$2.85 million (about HK\$22 million) Letters of Credit (L/C) fraud.

Wu Ke, 37, former director of Join Wing Limited (Join Wing), faced a holding charge of conspiracy to defraud.

Join Wing, a local trading company, was a subsidiary of the publicly listed Guangnan (Holdings) Limited (Guangnan).

No plea was taken. Magistrate Mr David Dufton adjourned the case until March 19, 2003 for mention, and remanded the defendant in the custody of the Correctional Services Department.

The case arose from an earlier corruption inquiry into a series of L/C scams involving Guangnan.

The charge alleged that between July 1 and August 31, 1998, Wu had conspired with other persons to defraud the Bank of East Asia Limited by dishonestly:

- causing Guangnan to apply and utilise credit facilities from the bank in the form of a L/C;
- submitting false documents to the bank purportedly evidencing genuine underlying commercial transactions between Guangnan and Maxtal International Limited (Maxtal);
- causing the bank to grant Guangnan utilisation of facilities under the L/C; and
- causing the bank to release a sum of US\$2,859,500 (about HK\$22.3 million) to Maxtal under the L/C.

The prosecution was today represented by Senior Government Counsel Martin Hui, assisted by ICAC officer Vincent Ling.

[Back to Previous Page](#) | [Top](#)