

Former bank chief jailed for four years for bribery over \$900m credit scam

A District Court judge today (Wednesday) meted out jail terms of up to four years to two former senior managers of Hang Seng Bank Limited (Hang Seng Bank) and a company director in a bribery scam involving mortgage loans and Letters of Credit (L/C) facilities amounting to \$900 million.

Peter Sau Ming, 56, former general manager of Hang Seng Bank, was sentenced to four years' imprisonment, while Lo Pui-shing, 50, former credit manager of Hang Seng Bank, was jailed for 21 months.

Sau was also ordered to repay Hang Seng Bank \$670,000 in restitution, while Lo was ordered to return \$5,000 to the bank.

Co-defendant Ho Siu-hoi, 33, a director-cum-shareholder of Au Kiang International Company Limited (Au Kiang) and Dero Enterprise Limited (Dero), was sentenced to three years and three months in jail, to run concurrently with the nine-years' jail term he is currently serving for a related L/C fraud case.

Sau and Lo were each found guilty on Monday of four counts of accepting an advantage as an agent, contrary to Section 9(1) of the Prevention of Bribery Ordinance, while Ho was found guilty of 10 counts of conspiracy to offer an advantage.

In sentencing, Judge Chua said L/C fraud was a serious offence, which warranted deterrent sentences in maintaining Hong Kong's reputation as a clean financial centre.

The judge reprimanded the two senior bank managers for breaching the trust their employer had placed in them.

The court heard that Au Kiang and Dero, of which Ho Siu-hoi's father Ho Chi-chun was also a director-cum-shareholder, purchased a number of properties in Hong Kong and the Mainland.

Au Kiang and Dero applied to Hang Seng Bank for mortgage loans as well as L/C facilities in relation to such properties.

Ho Siu-hoi had conspired with his father Ho Chi-chun and another person to offer five Rolex watches and unspecified sums of cash to Lo and other employees of Hang Seng Bank.

The advantages were rewards for facilitating the granting of mortgage loans, and 258 L/Cs valued at about HK\$900 million in total to Au Kiang and Dero.

The court also heard that Sau had accepted a total of HK\$200,000 and US\$40,000 (about HK\$312,000) in cash, and two Rolex watches from Ho Chi-chun for the same reason.

Lo had also accepted two Rolex watches and HK\$100,000 in cash from Ho Siu-hoi for the same reason.

The offences took place between May 1994 and March 1998.

The court heard that Au Kiang and Dero had subsequently repaid part of the mortgage loans and credit facilities to the bank. The outstanding amount of loans and credit

facilities the companies owe to the bank is believed to be around \$300 million.

Hang Seng Bank rendered full assistance and co-operation to the ICAC during the investigation.

The prosecution was today represented by Charlotte Draycott on a fiat, assisted by ICAC officers Dale Ko and Mabel Chu.