

Press Release

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Ex-financial controller guilty of deceiving \$13m from listed company

A former financial controller of a publicly listed company, charged by the ICAC, was today (Friday) convicted by a jury at the Court of First Instance of his role in a fraudulent scam to deceive over \$13 million from the listed company in relation to bogus consultancy payments of various projects of the Hong Kong Housing Authority (HA).

Ou Ka-chi, 42, formerly employed by Shun Cheong Holdings Limited (Shun Cheong), was found guilty of two counts of conspiracy to defraud. He was acquitted of another charge of attempted theft.

Recorder Mr Ronny Wong SC adjourned the case until next Tuesday (August 23) for sentence, and remanded the defendant in the custody of the Correctional Services Department.

The case arose from a corruption complaint. Subsequent ICAC enquiries revealed the fraudulent scam.

The court heard that at the time of the offences, George Kwok Shun-on was the managing director of Shun Cheong.

Between October 1999 and June 2000, Ou entered into a conspiracy with Kwok to submit bogus invoices and debit notes from Prelude Assets Limited (Prelude), a British Virgin Islands company set up by Kwok, in relation to fictitious consultancy services for several HA projects in Wong Tai Sin, Kwai Chung, Tsing Yi, Tin Shui Wai, Sha Tin and Po Lam.

All the false invoices used in the scam were arranged by Ou, who had them endorsed by either himself or Kwok on behalf of Shun Cheong, and sent to the accounts department for payments.

The pair then signed the company's cheques for making payments, which came to \$13 million by the time the scam was concluded, to Prelude.

The court also heard that Ou suggested that Prelude be used to procure another \$580,000 from Shun Cheong to pay off a corrupt officer of the Housing Department, who at the time had queried over the technical submissions regarding the supply of generating sets for HA projects.

Kwok, 45, and Chui Fu-tsang, 65, a former director of Prelude, had earlier pleaded guilty to their respective roles in this and another similar fraudulent scam. They will also be sentenced next Tuesday.

The prosecution was today represented by Aziz Hoosen, counsel on fiat, assisted by ICAC officer Joey To.