

Press Release

26/11/07

Former chairman and executive director of publicly listed telecom company charged for alleged fraud

The former chairman and a former executive director of a publicly listed telecommunications company were today (Monday) charged by the ICAC for alleged conspiracy to defraud the company in relation to false consultancy contracts.

Hau Tung-ying, 53, and Li Bin, 39, respectively former chairman and former executive director of China Motion Telecom International Limited (CMT), face a joint charge of conspiracy to defraud and four alternative charges of theft. They will appear at Eastern Magistracy at 9:30am on Wednesday (November 28).

The case arose from a corruption complaint. Subsequent ICAC enquiries revealed the above alleged offences.

The conspiracy charge alleges the defendants of having conspired together and with another CMT staff member and other persons to defraud CMT and its wholly owned subsidiaries, ChinaMotion NetCom (Asia) Limited (NetCom) and China Motion Holdings Limited (CMHL).

The defendants had allegedly caused NetCom to sign consultancy contracts with two contractors, and caused NetCom and CMHL to make payments to the contractors.

In fact, the two contractors, allegedly under the control of Li, never provided any consultancy service for NetCom.

The defendants also face four alternative theft charges, which allege them of stealing a chose in action, namely four debts totaling \$8,972,000, owed by a bank to NetCom and CMHL.

The alleged offences took place between September 2000 and April 2005.

CMT has rendered full co-operation and assistance to the ICAC in the investigation.

The defendants have been granted ICAC bail, pending their court appearances on Wednesday.